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Afghanistan	6.00 Dm	Iceland	15.80 Dm	Norway	6.00 Dm
Angola	17.5	India	12.00	Iceland	7.00 Dm
Bahrain	2.25	Iceland	4.50	Portugal	7.00 Dm
Bangladesh	2.50	Iceland	4.50	Russia	6.50 Dm
Canada	1.10	Kenya	16.00	Russia	6.50 Dm
Chile	1.10	Kuwait	1.00	Russia	6.50 Dm
Croatia	5.25 Mts	Liberia	0.45	South Africa	4.00 Dm
Danmark	7.00 Dm	Liberia	0.45	Spain	9.00 Dm
Egypt	100 P	Liberia	0.25	Saudi Arabia	4.00 Dm
Finland	1.50 F	Liberia	0.25	Spain	9.00 Dm
France	2.00 Dm	Liberia	0.25	Saudi Arabia	2.00 Dm
Germany	2.00 Dm	Liberia	0.25	Sweden	6.00 Dm
Greece	40 P	Morocco	5.50 Crs	U.S.A.	4.50 Dm
Iraq	115 Kds	Netherlands	2.50 P	U.S.A.	3.00 Dm
Iran	115 Kds	Nigeria	170 N.	Yugoslavia	7.00 Dm

ESTABLISHED 1887

## EC Budget Control On Summit Agenda French Proposal Would Strengthen Review Powers of Finance Ministers

By Axel Krause

International Herald Tribune

PARIS — The 10 European community heads of government, their meeting in Athens on Sunday, are expected to take up a French government proposal to establish tighter controls over EC spending, especially for agriculture, senior French and community officials said Thursday.

If the proposal is approved, it could likely lead to other agreements on related issues, such as limiting farm production and setting Britain a large rebate on its contribution to the 1983 budget, the officials said.

The outcome of agreements at the summit, which hardly begins, is as yet unknown. Some were predicting a few weeks ago, "a senior EC official in Brussels said, "Nothing will be known for sure until the leaders actually begin talking."

Farm spending in the community, currently increasing at a rate of more than 30 percent annually, is expected to exceed 15 billion Ecu (current currency units) (\$12.4 billion), accounting for roughly 62 percent of the 1983 budget.

The French proposal to control spending was offered by Finance Minister Jacques Delors at a meeting of the community's foreign and finance ministers in Brussels on Monday and it has already drawn strong support from the West German and British governments.

If adopted, the plan would establish a system of strict and centralized planning for the community. Decisions would be placed under the direct control of finance ministers.

"We believe that by resolving the budget issue, which will be at the core of the summit, we can move to an agreement on several other items and related questions," said a senior French official. He cited proposals to limit the annual production of dairy and other farm products, and the granting of Britain a large rebate on its budget contribution this year.

At their previous summit meeting in Stuttgart in June, the other EC leaders agreed to retain 750 million ECU for 1983.

but linked it to an overall resolution of the budgetary issue and farm spending.

Community officials in Brussels were cautious about the prospects of an agreement by all 10 community members, however. "We may be close to some agreements, based on what the French, Germans and British are saying about the Delors budget proposal, but it is not at all clear that the others will go along," a senior EC official said, referring to Belgium, Denmark, Greece, Ireland, Italy, Luxembourg and the Netherlands.

He and other officials said the Greek government, in particular, was annoyed at the swift manner in which the French ministers of Finance and West Germany supported Mr. Delors. It was a unilateral effort, done quickly, with little if any advance consultation, the EC official said.

The French proposal would establish a new procedure for fixing budget growth. Under long-established procedures, the financing of the budget is settled only after agreement has been reached on spending, involving agriculture and other ministers, as well as the EC Commission. Under the Delors plan, growth targets for the budget would be set at the beginning of the budgetary process and would be placed under the authority of finance ministers.

Thus, French Finance Ministry officials said, the ministers would be able to control overall spending more effectively. One provision in the French plan calls for a mandatory review of spending by finance ministers every four months.

But officials emphasized that the goal goes beyond controlling farm spending, which, according to current EC projections, will exceed 16 billion ECU in 1984 and represent nearly 65 percent of the projected budget next year.

The basic idea is to get a better handle on the overall budgetary process, to achieve savings, and open the opportunity for negotiations in other areas such as regional development programs, and

(Continued on Page 2, Col. 5)



President Amin Gemayel and Ronald Reagan, followed by aides, leaving a meeting Thursday at the White House. Secretary of State George P. Shultz is behind Mr. Reagan.

## Reagan, Gemayel Repeat Their Call For Foreign Troops to Leave Lebanon

The Associated Press

WASHINGTON — President Ronald Reagan and President Amin Gemayel of Lebanon repeated on Thursday their call for the withdrawal of all foreign forces from Lebanon, but they did not specifically mention the Syrian occupation of that country.

Mr. Reagan was asked by a reporter if he thought Syrian troops would leave Lebanon. "They have to," he replied. Earlier, Mr. Gemayel had left if there were any solution to the problem in Lebanon. "We hope so," he said.

U.S. officials believe the Syrians are the major hurdle in the removal of foreign troops from Lebanon.

Mr. Reagan and Prime Minister Yitzhak Shamir of Israel harshly denounced Syria in public statements in Washington earlier in the week, but Syria was not mentioned in Mr. Reagan's and Mr. Ge-

mayel's departure statements Thursday. This apparently was intended to avoid causing Mr. Gemayel problems in his country, where Syrian influence is great.

Donald H. Rumsfeld, back to the region soon to work toward a troop withdrawal.

Mr. Reagan and Mr. Gemayel said nothing in their statements about whether they discussed new ideas for getting Syrian, Israeli, Palestinian and other foreign troops to leave Lebanon.

The American people can be proud of the job our Marines are doing," he said. "Their presence is making it possible for reason to triumph over the forces of violence, hatred and intimidation."

In his statement earlier, he said that the two leaders "stand by the May 17 agreement as the best and most viable basis for the withdrawal of Israeli forces from Lebanon." That agreement is the Lebanese-Israeli troop withdrawal agreement.

He said he would soon be sending his special Mideast envoy.

Mr. Gemayel, Mr. Reagan and their aides met after a session between Mr. Gemayel and Secretary of State George P. Shultz. Mr. Gemayel declined comment after the meeting with Mr. Shultz, but his foreign minister, Elie Salem, said there were "signs of hope" that the deadlock on troop withdrawal could be broken. He would not elaborate.

"This and this alone will put an end to the continuing tragedy which is now engulfing not only the Lebanese, but Americans in Lebanon as well," he said.

As Mr. Gemayel and Mr. Reagan walked from the Oval Office to lunch, a reporter called, "When are you going to get the Syrians out, Mr. President?"

Mr. Reagan deferred to his guest, and Mr. Gemayel replied, "It will be very soon."

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Without an agreement for the withdrawal of other foreign forces, it will be difficult to pull out the U.S. marines. The Reagan administration would like to have them home before the 1984 election so that they do not become a campaign issue.

Mr. Gemayel, who arrived Wednesday night on his third visit to Washington in 14 months, plans meetings with other U.S. officials Friday before leaving for New York on Saturday.

Security was tight for his visit, as it was for the visit of Mr. Shamir. Police vehicles cordoned off all State Department entrances.

In a brief arrival statement, Mr. Gemayel said he came with "a sense of confidence" that the Geneva talks on Lebanese national reconciliation would help "build a new Lebanon responsive to the aspirations and the needs of all its communities."

Portedly one of the subjects discussed extensively at a meeting Wednesday morning of Mr. Reagan and his National Security Council. Among officials at the meeting were George A. Keyworth, 2d, director of the president's Office of Science and Technology, and Kenneth L. Adelman, director of the Arms Control and Disarmament Agency.

"The Soviets have a rather phenomenal effort under way," said

Mr. Reagan, who had not yet made key decisions on the kind of technology, the level of financing for next year and other aspects of the proposal that he first advanced in March. The president was said to be leaning against the recommendation of some members of Congress that the United States should embark on a program to deploy defensive weapons quickly.

Instead, according to the administration official, Mr. Reagan favored a more "prudent" approach that would emphasize research and development of technologies that might be available in the long-term future.

Early this month, it was reported that a Pentagon-appointed panel of experts had urged the president to increase spending substantially for long-range research on defensive technology. It was understood that such a program might be seen as less provocative to the Soviet Union, as well as to critics of the weapon systems, who regard them as opening up a new area in the arms race.

The Sandinists made what was taken as a new gesture of conciliation toward the Roman Catholic hierarchy Tuesday. Daniel Ortega Saavedra, coordinator of the junta, received two visiting Venezuelan bishops, and several important government officials attended a reception given by the Venezuelan Embassy at which the Venezuelan bishops and their Nicaraguan

(Continued on Page 4, Col. 5)

## A Druze Religious Leader Is Killed in West Beirut Amid Increasing Tension

By Ihsan Hijazi

New York Times Service

BEIRUT — One of the most prominent members of Lebanon's Druze community was assassinated Thursday at a time of increased sectarian conflict.

Sheikh Halim Takieddin, president of the supreme Druze religious court, was found dead in a pool of blood at his home in mainly Moslem West Beirut. He had been shot once in the head.

The murder heightened already rising tension. Prime Minister Shafiq al-Wazzan, who is also interior minister, summoned an emergency meeting of police and army officers to discuss security.

Sheikh Takieddin, 45, was regarded as only second to the spiritual head of the community, Sheikh Mohammed Abu Shugra, who lives south of Beirut.

The murdered cleric rose to political prominence in the past few months through daily statements to the press defending the Druze community and criticizing the Christian militias led by the Phalangist Party.

While he advocated peaceful coexistence between Lebanese religious communities, Sheikh Takieddin blamed the Christian militia for recent fighting in the Chouf mountains with Druze combatants.

Lebanon can count on our help," Mr. Reagan said. He added that the presence of U.S. Marines in Lebanon demonstrated "our commitment to peace in the Middle East."

The American people can be proud of the job our Marines are doing," he said. "Their presence is making it possible for reason to triumph over the forces of violence, hatred and intimidation."

In his statement earlier, he said that the two leaders "stand by the May 17 agreement as the best and most viable basis for the withdrawal of Israeli forces from Lebanon." He said he and Mr. Reagan had "found ourselves in full agreement" that all foreign forces should withdraw from Lebanon and that Lebanese sovereignty over all of the country should be restored.

"This and this alone will put an end to the continuing tragedy which is now engulfing not only the Lebanese, but Americans in Lebanon as well," he said.

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"The Soviets have a rather phenomenal effort under way," said

the northern Lebanese port of Tripoli. Reuters reported from Tripoli.

Mr. Ararat did not disclose the contents of his reply. Political sources said he gave it to a delegation from Rashid Karim, a former Lebanese prime minister and Tripoli's senior politician.

On Wednesday, Mr. Ararat called for Saudi Arabian officers, as well as observers from the United Nations or the Arab League, to supervise a disengagement of his

forces and the fighters opposing him, the sources said. Mr. Karim has said any supervisory force must be Lebanese.

In Beirut, representatives of Lebanon's opposing factions met Thursday to discuss ways to reopen Beirut International Airport, opposition sources said.

There was no immediate word on the results of the meeting of the committee of three of the militias and the Lebanese Army.

## Arens Calls for Pressure By Lebanon on Syrians

By John M. Goshko

Washington Post Service

WASHINGTON — Defense Minister Moshe Arens of Israel has called for unrelenting political and diplomatic pressure to force Syria out of Lebanon and he suggested that the Lebanese government "should add to that some guerrilla activity against the Syrians in areas controlled by Syria."

Mr. Arens, speaking Wednesday, listed such action by the Lebanese government as one of a series of "disincentives" that he said might help persuade the Syrians that "they're better off getting out than staying in."

Asked whether he thought the Lebanese might initiate guerrilla warfare against Syria, he replied: "If the Lebanese are serious about getting foreign forces out, you might expect that they'll engage in some kind of activity against them."

However, Mr. Arens' proposal faced opposition from the Syrians, who made it a meeting with reporters and editors of The Washington Post, prompted U.S. officials to deny emphatically that that is part of the U.S.-Israeli strategic cooperation agreed on by President Ronald Reagan and Prime Minister Yitzhak Shamir.

The officials insisted that the agreement on closer cooperation, reached in three days of meetings, is in a very early stage and that the two governments are not ready to formulate specific plans for actions in Lebanon, he said.

During Mr. Shamir's visit, the administration sought to stress that revitalized ties with Israel would not mean that the United States would turn away from Arab concerns. A senior administration official said that moderate Arab states would be "anxious" about the U.S.-Israel relationship as it is at present.

However, that view appeared to be contradicted by the hostile reaction of Arab governments to the Reagan-Shamir agreement. Typical was the comment of the Saudi ambassador, Prince Bandar bin Sultan, who delivered a letter to Mr. Reagan to give President Amin Gemayel a chance to meet with President Ronald Reagan.

The official insisted that the agreement on closer cooperation, reached in three days of meetings, is in a very early stage and that the two governments are not ready to formulate specific plans for actions in Lebanon, he said.

King Hussein of Jordan said Thursday that

## Israel Seems Less Isolated From Arab Neighbors Than Before

By Terence Smith  
New York Times Service

JERUSALEM — Israel no longer seems as isolated and cut off from Arab neighbors today as it once did. A correspondent who covered both the 1967 and 1973 wars notices on returning to the area that many of the barriers of 16 years ago are gone: the sniper walls, barbed wire and concrete outposts that split Jerusalem before the 1967 war; the military and political barriers that divided Egypt and Israel before the 1979 peace treaty; the practical barriers that separated Israel and Lebanon before the 1982 Israeli invasion of that country. All these barriers have fallen, even if others remain in place.

Today, on one basis or another, Israel deals with its Arab neighbors all the time.

Israelis can pick up the phone and call Cairo as they do Haifa. The more affluent Israelis can book a seat on one of the daily flights to the Egyptian capital; others can use the daily bus service between Tel Aviv and Cairo. Egyptian hotels are full of Israeli tourists; Israeli hotels are full of Lebanese. Israeli television, easily received in Jordan and southern Lebanon, broadcasts the news in Arabic; Jordanian television, easily and eagerly received in Israel because of its imported British and American programs, broadcasts the news in Hebrew.

About 3,500 Israeli Arabs made the *hajj*, the annual pilgrimage to Mecca, this year and were, by all accounts, received politely by the Saudi Arabians. About 18,000 members of Israel's Labor Party are Arabs. In the most recent municipal election in Jerusalem, Mayor Teddy Kollek was returned to office for a fifth term, in part as a result of the votes of the Arabs of East Jerusalem.

None of this is meant to suggest that peaceful coexistence has come to the Middle East. Only one country, Egypt, has formally recognized Israel, al-

### NEWS ANALYSIS

though Lebanon and Israel reached an agreement that provides for the Israeli liaison office that operates in Beirut.

War, especially with Syria, remains a possibility; the region is still turbulent, but, in the words of Chaim Herzog, Israel's president, "we've passed a watershed in terms of Arab-Israeli communication."

"The world doesn't realize the degree of cooperation that goes on today between Israel and her Arab neighbors," the president said in an interview. "Seven percent of the country I'm president of is Arab. This has real meaning and application to the current situation in Lebanon. Israeli Druze are crucial to our

relations with the Druze factions in Lebanon. We're also dealing with the Shiites and Christians in southern Lebanon."

The traditional picture of complete confrontation between Israel and the Arabs—the absolute refusal of Arabs to deal with Israel—is out of date."

One of the best ways to tour Jerusalem, as was the case 16 years ago, is in a car with the energetic Mayor Kollek as guide. Sixteen years ago, Mr. Kollek was a first-term mayor and the tour was confined to the western half of the city, which was then split by the cease-fire line between Israel and Jordan. Streets that crossed the line were blocked by concrete anti-sniper walls. Arab Legion and Israeli soldiers stared at each other across a rocky no-man's-land studded with barbed wire and mines.

The walls have been gone since June 1967, after Israel captured the eastern half of the city in the war, and now the no-man's-land has been cleared of mines and converted into a green belt of parks and gardens that encircle the walled Old City. A museum is housed in David's Citadel, the tower that served as an Arab Legion gun position. Sultan's Pool, the old, waterless Roman reservoir that once marked the heart of man's-land, is used for summer concerts.

Jerusalem 16 years ago was a small town, with about 55,000 Moslems and 125,000 Jews living in separate sectors. Now, it is the largest city in Israel, with

110,000 Moslems and 300,000 Jews, in addition to about 15,000 Christians.

"So you see, the Arab population has doubled under this 'murderous Zionist administration,'" says Mayor Kollek, echoing a phrase that is sometimes used by Arabs to describe the Israeli government.

In fact, given the Arabs' high birthrate, the population would be significantly greater today had many Arab residents of East Jerusalem not chosen to emigrate across the river to Jordan.

The great population explosion has been among the Jews, who have flooded into apartments in the vast new housing projects that now ring the former Jordanian parts of the city like a circle of fortresses. These dense satellite cities house in excess of 30,000 people. More than anything else, they starkly dramatize Israel's announced intention to retain all of Jerusalem.

The intercommunal tension in Jerusalem 16 years ago was Arab vs. Jew. Today it is Jew vs. Jew, with the most dramatic struggles occurring between the secular and Orthodox Jewish residents over the observation of the Sabbath. The days of Arab-Jewish riots along Salah e-Din Street are gone.

"There's a certain resignation among both the Arabs and Jews of Jerusalem that the political solution is out of their hands," Mayor Kollek said. "In the meantime, they seem to have decided to live together in peace until a solution comes along."

## WORLD BRIEFS

### Former EPA Aide Convicted of Perjury

WASHINGTON (UPI) — A federal jury convicted Rita M. Lavelle, a former official of the Environmental Protection Agency, of perjury Thursday for lying to Congress and obstructing an investigation into her handling of the \$1.6-billion toxic waste cleanup program.

The four perjury charges on which she was convicted stem from her testimony to Congress and a sworn written statement that she was unaware before June 17, 1982, that her former employer, Aerojet-General Corp. of California, was involved in a toxic waste enforcement case, the Stringfellow Acid Pits near Glen Avon, California. She could be sentenced to up to 20 years in prison and \$19,000 in fines for the conviction.

The jury found Miss Lavelle, 35, not guilty on one count, which accused her of lying to Congress about using the program to help Republican politicians.

### UN Calls for an Independent Namibia

UNITED NATIONS, New York (AP) — The United Nations General Assembly called for South-West Africa's independence from South Africa on Thursday and criticized the United States, Britain, France, West Germany, the Netherlands, the European Parliament and the International Monetary Fund for dealings concerning that territory.

The assembly also urged the UN Security Council to tighten a six-year arms embargo against South Africa and impose "comprehensive mandatory sanctions" against it. A resolution making all those points passed the assembly by a vote of 117-0 with 28 abstentions, compared with 120-0 with 23 abstentions for a similar proposal concerning the territory, also called Namibia, in the 1982 assembly.

### Committee Votes Against Lambdorff

BONN (NYT) — A West German legislative committee voted Thursday to recommend that the Bundestag lift the parliamentary immunity of Otto Lambdorff, the defense minister, so that he can be indicted for taking bribes from the Flick holding company.

The full Bundestag is expected to vote Friday to lift immunity. A spokesman for the Bonn prosecutor, Johannes Wilhelm, said Mr. Lambdorff would be charged as soon as possible after that.

Mr. Lambdorff, who has been economics minister since 1977, is alleged to have accepted bribes totaling \$50,000 in exchange for lenient tax treatment of the Flick concern. He has denied any wrongdoing.

### Supreme Soviet Will Meet on Dec. 28

MOSCOW (AP) — The Supreme Soviet, or parliament, will meet Dec. 28. Tass said Thursday. But it did not say whether President Yuri V. Andropov, out of public view for more than three months, would appear at the meeting.

Mr. Andropov, 69, whose health has been in question since last spring, has not been seen in public since Aug. 18. He normally would be expected to preside at a meeting of the Supreme Soviet. The announcement by Tass made no reference to Mr. Andropov or any other leader by name.

A session of the Supreme Soviet is usually preceded by a plenum of the 322-member Central Committee of the Communist Party, which makes the major decisions in the Soviet Union. As head of the party, Mr. Andropov would be expected to preside at this meeting as well.

### Danish Assembly Opposes Deployment

COPENHAGEN (Reuters) — Denmark's minority government received a sharp setback Thursday when the parliament ordered it to oppose NATO plans to deploy new nuclear missiles in Western Europe. Prime Minister Poul Schlüter said his four-party coalition respected the Folketing's decision and would not resign, even though it opposed the move.

The Folketing voted 87 to 75 for a resolution ordering the coalition to distance itself from the missile deployment at meetings of the North Atlantic Treaty Organization, and to express this in NATO communiques. It also ordered the government to work for a resumption of U.S.-Soviet talks on medium-range missiles in Europe and to seek a cut in the number of Soviet SS-20 missiles.

### Thatcher Warns Unions on Picketing

LONDON (AP) — After two nights of illegal and sometimes violent mass picketing, Prime Minister Margaret Thatcher warned a British print union Thursday to stop violating her government's employment laws or face the legal consequences.

It was her first public comment on the angry scenes outside the Messenger Group newspaper plant in Warrington, in northwest England, where the National Graphical Association print union has been protesting the use of nonunion labor.

The dispute has emerged as the sternest test of Mrs. Thatcher's 1980 and 1982 Employment Acts defining union activity. "This dispute is about an attempt to impose a closed shop on employees who do not want it by a process of intimidation by a union and further prevent that company from producing a newspaper by unlawful picketing," she said.

### For the Record

Representative Clement J. Zablocki, 71, a Democrat of Wisconsin, who is the chairman of the House Foreign Affairs Committee, remained unconscious and in critical condition in Washington Thursday after a heart attack.

Turkey's largest daily newspaper, Hurriyet, was closed Thursday by military authorities for an indefinite period, a newspaper spokesman said. He said a formal explanation for the order was expected later. (AP)

President Ronald Reagan has signed into law an \$8.4-billion increase in U.S. backing for the International Monetary Fund. (UPI)

Viktor Korchnoi and Gary Kasparov drew the fifth game of their chess championship elimination match after 21 moves. Mr. Korchnoi now leads in the 12-game series 3 to 2. (Reuters)

### Correction

The last paragraph of an article from The New York Times in Thursday's International Herald Tribune about the French Army's creation of a Rapid Action Force incorrectly described its position regarding cooperation with France's allies. The paragraph should have read:

General Caillebotte acknowledged that involvement of the force could only take place with the allies, but argued that cooperative procedures on "the appropriate technical level" could be developed without engaging the French government in automatic commitments.

### Spacelab Finds First Clue To Little-Known Gas Zone

(Continued from Page 1) From the absorption "signatures" scientists can identify the constituents of the atmosphere by altitude.

#### ■ Satellite Retrieval

On the shuttle's mission in April an astronaut, powered by a backpack, will fly away from the shuttle without a tether to retrieve a disabled satellite. The Washington Post reported from Houston. The mission was described as a news conference Wednesday.

The shuttle will maneuver to within about 300 feet (about 90 meters) of the Solar Maximum Observatory, which was launched in 1980 to study solar flares. It failed 10 months later. An astronaut will try to retrieve the satellite, and crew members will attempt to repair it. If they succeed, the satellite will be launched into space again. Otherwise, it will be brought back to Earth.

#### ■ Extension Considered

Columbia and Spacelab are working so well that officials are considering extending the space shuttle's nine-day mission by one day. The Associated Press reported from Houston. The extra day would mean the craft would return to Earth on Dec. 8 at Edwards Air Force Base, California.

Harry Craft, NASA's Spacelab mission manager, said an extra day would enable the crew to collect additional results from medical, atmospheric, astrophysics and materials processing tests.

## Syria's Assad Is Said to Be Gravely Ill Despite His Publicized Appearances

By Joseph Fritchett  
International Herald Tribune

PARIS — Widespread speculation that President Hafez al-Assad of Syria is seriously ill has continued despite a broadcast on government-controlled television showing him inaugurating a bridge in Damascus.

Mr. Assad, who has ruled Syria with a firm hand since seizing power in 1971, is considered the most formidable Arab opponent to U.S. diplomatic initiatives in the Middle East.

Two weeks ago he was hospitalized for what an official statement said was appendicitis. But Western and Arab diplomats report persistent, apparently well-informed rumors that Mr. Assad has a much

more serious condition, perhaps heart trouble.

A report that he was wounded by a bullet during a protest in Paris last week has been denied by Syrian officials.

Despite reassuring official talk about Mr. Assad's convalescence, he has not been seen in public since Nov. 13. Nor has Mr. Assad received any of the high-ranking Arab visitors to Damascus including Saudi Arabia's foreign minister, Prince Saud al-Faisal.

Initially, Mr. Assad's inaccessibility was thought to be a "diplomatic illness" intended to slow down negotiations to end the internal-Palestinian fighting in Tripoli, Lebanon. At the time, Syrian-backed Palestinian guerrilla factions appeared to be on the point of defeating forces loyal to Yasser Arafat, chairman of the Palestine Liberation Organization.

In recent days, however, apparently in response to rumors about Mr. Assad's condition, Syrian media have reported him discharging minor official duties such as the filming bridge inauguration on Wednesday. However, no independent witnesses have seen him.

Even the television footage ac-

cording to government-censored reports from Damascus showed Mr. Assad looking shaky and weak.

In recent months, Mr. Assad has

crushed once-strong religious and

political dissidence in Syria and

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meeting in a raid on a warehouse in Amsterdam.

Police arrested a suspect identified as Robbie Grifforst, at Amsterdam's airport as he arrived on a flight from Madrid via London, raising to 25 the number of people arrested in connection with the kidnapping.

United Press International

AMSTERDAM — International police hunted Thursday for three suspects in the kidnapping of Alfred Heineken, the Dutch brewing executive, and his driver, who were rescued Wednesday in a raid on a warehouse in Amsterdam.

Police arrested a suspect identified as Robbie Grifforst, at Amsterdam's airport as he arrived on a flight from Madrid via London, raising to 25 the number of people arrested in connection with the kidnapping.

United Press International

BRUSSELS — The United States is considering inviting NATO heads of state and government for a summit in Washington next spring to mark the alliance's 35th anniversary. U.S. officials here said Thursday. The anniversary is April 4.

Leaders of the 16-nation North

Atlantic Treaty Organization last

met in June 1982 in Bonn. The U.S.

secretary of state, George P. Shultz,

is awaiting a decision from the

White House before discussing in

Brussels next week the site of next

spring's NATO foreign ministers'

meeting, the officials said.

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cording to government-censored

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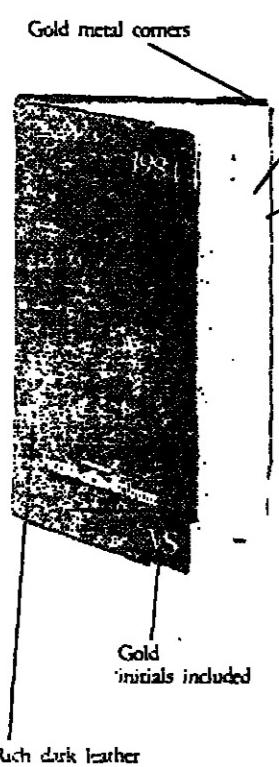
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2-12-83

## 'When We' Nostalgia Grips Rhodesian Emigrés in South Africa

By Alan Cowell

New York Times Service

DURBAN, South Africa — In the catalog of white self-perceptions in Africa, there are, by way of social distinction, many categories.

There is, for instance, the "Kenya cowboy," a roguish, raffish figure set against a backdrop of sunlit safaris, pink gins and polo, and possibly dubious deals in an East African playground, whose roots might be traced to white settlers of the 1930s.

Then there is the "two-year wonder." The label is affixed by settlers of long standing to fellow whites of briefer tenure in a continent of adoption — technicians or businessmen who come to Africa on a contract and amass a little wealth to warn their fortunes back home, usually in Western Europe. Britain in particular. The two-year wonder is a figure of some derision, without the faded glamour of the Kenya cowboy.

There are still others who come to Africa because of varying commitments — white mercenaries, or "wild geese," living on tales of glory long past, or white revolutionaries hitching red stars to the banner of black Marxists, sometimes unbeknown. At the lowest end of the scale are the "when-wes."

The when-wes have been around for about as long as colonialism has been extinct, a group of people who lived, say, in Kenya or Zambia when whites ran those countries, and who did not like the visage of majority rule and so left for places where the minority still prevailed. On arrival, they would lower their frail roots among a new group and preface expressions of nostalgia with the words "When we were in Kenya . . ." or "When we lived in Lusaka . . ."

In the days when a white minority ruled the country now called Zimbabwe and then called Rhodesia, that beacon of whiteness in a great blackness attracted many a person unwilling to live under a majority government. Now some former Rhodesians form a core of when-wes in South Africa. Three years after Zimbabwe's independence, their memories have not faded.

"We were let down," she said. "We were running a country, we were perfectly happy. If the outside world and the British had left us alone, we would have been all right."

But despite that, Mrs. Woodward said, the former Rhodesians would make a go of it. "We are not a when-we club," she repeated — except, she acknowledged, for one night in the year: Nov. 11. That was the day in 1965 when Rhodesia's last white prime minister, Ian D. Smith, declared independence.

"We are not a when-we organization," said John Woodward, the chairman of an informal body called the Rhodesian Contact Organization, which operates from a small office in a building in Durban called, fittingly, Salisbury House. Salisbury was the name of Rhodesia's capital, which is now called Harare.

But, Mrs. Woodward went on, "we are not Zimbabweans, we are not ex-Rhodesians. We are Rhodesians and will stay Rhodesians to the day we die."

The organization provides what is evidently a valuable service for some of those who leave Zimbabwe because they do not like Prime Minister Robert Mugabe's way of running things and come to South Africa in quest of a future they feel is denied them in their former homeland.

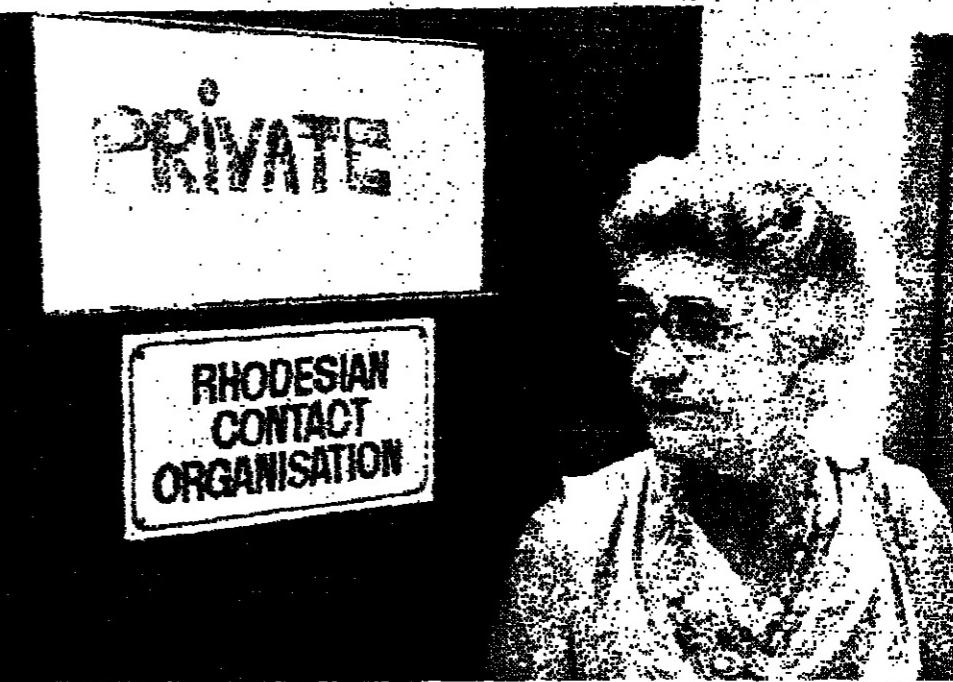
They gravitate toward this Indian Ocean port, and the province of Natal in which it is situated, because they have a history of Englishness and the dominant language is English, which they speak, not Afrikaans, which many do not.

Mrs. Woodward, who left in April 1980, the month that Zimbabwe became independent, seemed determined to face the future squarely. And the future of her organization, which helps find jobs and homes, sometimes money, for fugitive whites, was not in doubt, she seemed to intimate. "If Mugabe takes the farms," she said, "there'll be a flow of full-time refugees."

She referred to a theme common during the 15 years during which Rhodesia battled against international trade sanctions and the opprobrium of the international community for rebelling against British rule in 1965 by declaring independence.

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The New York Times  
Joan Woodward, head of the Rhodesian Contact Organization in Durban, South Africa.

"There's a bit of nostalgia on that evening," Mrs. Woodward said.

On Nov. 11 this year, in a vaulted meeting hall rented from a British veterans organization called the Moths, or Majoris Order of Tin Hats, they held what the tickets called an Indepen-Dance.

Because of the Moths' allegiance to a distant sovereign, a portrait of Queen Elizabeth II, the monarch against whom Mr. Smith rebelled, presided over the gathering. And there was a raffle. The first prize, the master of ceremonies said, was a model of the Soviet

designed AK-47 assault rifle mounted on "Rhodesian copper."

The AK-47, Mrs. Woodward pointed out, was used by some units of the Rhodesian Army — the Selous Scouts and the Gray Scouts — and the man who won the raffle gave the prize away to a relative of a Selous Scout who had died in action.

But the nobility of the prize was not altogether lost: The AK-47 was the fighting symbol and the weapon most favored by the black nationalist guerrillas without whose victory the Indepen-Dance need never have been held.

## Reagan Shelves Measure On Salvador Rights Check

By Charles Mohr

New York Times Service

WASHINGTON — President Ronald Reagan has pocket-vetoed a bill that made continued aid to El Salvador contingent on his assuring Congress every six months that the country was improving its human rights record.

The bill also specified that Mr. Reagan certify that the Salvadoran government was making progress in redistributing land and in making efforts to try accused killers of U.S. citizens.

By declining to sign it Wednesday, 10 legislative days after Congress sent the bill to the White House, he killed it with what is known as the pocket veto, which is possible when Congress is not in session.

The president, in vetoing the renewal of the certification procedure, rid himself of a duty that he and his top advisers had said they found onerous and confining. On four occasions, Mr. Reagan and the State Department had certified that El Salvador was making progress on human rights, land redistribution and the control of its own security forces, despite assertions by critics that this progress was more illusory than real.

Senator Claiborne Pell of Rhode Island, the ranking Democrat on the Foreign Relations Committee, called the president's pocket veto of the certification process "a powerful blow against peace and justice

in El Salvador." The senator pledged to join in introducing legislation when Congress reconvenes in January, "to improve upon the certification process just ended by the president."

Other leading Democrats are working to revive the bill. The Associated Press reported. Representative Michael Barnes of Maryland, chairman of the House Foreign Affairs subcommittee on the Western Hemisphere, said, "Our embassy in San Salvador is struggling to convince the Salvadoran government that it must take action to halt the killings by the death squads, which we now know are linked to the Salvadoran security forces. How can the embassy be credible when the president refuses to sign even this modest measure?"

Senator Christopher Dodd of Connecticut charged that Mr. Reagan's ill-advised veto sends a significant and dangerous message to Salvadoran security and military forces: "U.S. military aid will continue regardless of human rights abuses or involvement in right-wing death squad activities."

Earlier, staff assistants to Democratic members of Congress who had favored continuing the certification system said that although it had not curtailed military aid to the Salvadoran authorities, it had value nonetheless.

"The president's veto," a House staff aide said, "is a direct contradiction of what the administration has been saying recently in com-



Senator Claiborne Pell

plaining about the Salvadoran government's refusal to take action against right-wing death squads."

■ Visa Denial Seen as Signal

The State Department said Tuesday that Roberto d'Abuisson, president of El Salvador's Constituent Assembly, had been denied a visa because of concern over rightist death squads, to which he has been linked. John Hughes, the State Department spokesman, qualified this Wednesday by saying that "it would be improper for the United States to ascribe culpability" in the killings.

In a report from San Salvador, The Washington Post quoted Salvadoran political leaders Wednesday as saying that the denial of the visa was a clear signal that Washington opposed his expected bid for the presidency because of his suspected links to death squads.

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## Group of American Christians to Form 'Human Shield' for Nicaraguan Village

By Marjorie Hyer

Washington Post Service

WASHINGTON — When Philip Taylor said goodbye Monday to her three teen-age children in Philadelphia, both she and they knew she might not return.

Mrs. Taylor, a Quaker and a nurse, is the coordinator of a team of 21 church members who are leaving Washington on Friday for northern Nicaragua, where they plan to form a "human shield" along the Honduran border. They hope their presence in the area will discourage attacks by U.S.-backed rebels seeking to overturn the government.

Organizers of the venture, who have bitterly opposed U.S. policy in Nicaragua, say they hope U.S. military commanders will restrain the "contras" from attacking areas where U.S. citizens would be endangered as they have when church or congressional delegations visited the area.

"Human shield" volunteers will stay in the village of Jalapa. Six will remain in Nicaragua indefinitely, supplemented by 15 fresh recruits every two weeks. Mrs. Taylor is in a two-week group.

The unusual experiment in political nonviolence is the work of an ad hoc ecumenical organization, Witness for Peace, whose advisory committee ranges from Catholic bishops to Quakers, Episcopalians and Southern Baptists.

Mrs. Taylor, 42, a longtime ac-

tivist in human rights causes, says she is aware of the risks but feels called as a Christian "to witness, to stand in the same peril as the Nicaraguans . . . to say, if you are going to lob a mortar, then we will be there to stop it."

The undertaking grew out of a trip by 150 North Americans, including Dick Taylor, to the same area in July. Their visit produced, or coincided with, a cessation of attacks on Nicaraguans.

"Our purpose is to save Nicaraguans lives," said Jim Wallis, an activist evangelical Protestant who heads the Witness for Peace Advisory Committee. "Our hope is to stop the United States' war against Nicaragua," he added.

This week, the group has undergone rigorous training by Mrs. Taylor's husband, Dick, a veteran of civil rights and anti-war demonstrations.

They have rehearsed nonviolent reactions to having a contra enter the village, to a mortar attack and to having one of their number kidnapped or raped. There have been 300 kidnappings in the Jalapa area this year.

Mrs. Taylor, who is a grief counselor working with dying patients and recovering amputees, said her worst fear is of "being tortured and not being very good or being permanently maimed."

She said the Witness for Peace office has been flooded with applicants, who will pay their own travel expenses, and has rotation teams

filled through 1984. The effort will continue "until the war is over," she said.

The undertaking grew out of a trip by 150 North Americans, including Dick Taylor, to the same area in July. Their visit produced, or coincided with, a cessation of attacks on Nicaraguans.

Mrs. Taylor said their children, whom she describes as "one Salvadoran, one Korean and one homemade," had largely influenced her to join the mission.

"When they go off to school or whatever, I don't have to worry that I may never see them again," she said, in contrast to a Nicaraguan mother who told Dick Taylor of having to identify her son's decapitated body.

Mr. Wallis, acknowledging the mission's risks, noted that "the biblical tradition is filled with risky things." Recalling the Christian involvement in the civil rights struggles, he added, "Selma was a risk. Birmingham was a risk. It's the way of peace."

Londonderry Policeman Shot

LONDONDERRY, Northern Ireland — Two gunmen dressed as schoolboys shot and seriously wounded a policeman as he drove to work Thursday, witnesses said.

## Rebels Reported Ready for Talks With Nicaragua

By James Gerstenzang

The Associated Press

WASHINGTON — Three anti-Sandinist groups have told the United States that they are prepared to end their military operations against Nicaragua if that nation takes "credible steps" toward democracy, according to a senior U.S. official.

The official, reporting on talks conducted Wednesday morning in Panama City between the anti-Sandinist leaders and Richard B. Stone, President Ronald Reagan's special envoy to Central America, said his report was intended to convey a message directly to Sandinist leaders in Managua.

The official, who spoke on the condition that he not be identified, said the anti-Sandinist groups were prepared to open negotiations with the Sandinist government. They were willing to suspend paramilitary activity in Nicaragua if the government takes "specific, credible steps to implement the democratic promises it made to the OAS in 1979," he said, referring to the Organization of American States.

The official said those promises had led the OAS to recognize the Sandinist group when it was still an

exile group and added, "Ambassador Stone feels that this presents the Sandinist government with an opportunity to begin negotiations in order to implement the democratic promises it has made to the OAS."

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## Strength, Not Popularity, Keeps Chun in Command

By William Chapman  
Washington Post Service

**SEOUL** — Four years after he began his drive to power, President Chun Doo Hwan remains an unpopular figure without a broad-based political following, and many people in South Korea view with skepticism his pledge to start the nation on the road to democracy by stepping down voluntarily five years from now.

He has received some high marks for presiding over an economic revival and a period of uncommon success in diplomatic fields.

But interviews with many South Koreans and foreign observers suggest that his personal support is shallow. They cite as reasons the continuing suppression of dissent, financial scandals that have touched his associates, and Mr. Chun's often autocratic behavior.

Some also raise the basic question of the legitimacy of a leader who took power by force and who has banned from politics at one time another virtually every significant figure in the country's always weak political opposition.

Mr. Chun's supporters insist that his popularity has been enhanced by the economic turnaround that promises this year to return South Korea to double-digit growth. But

some of them concede he is not a man with a political following.

Duron Pong, chairman of the National Assembly's foreign affairs committee, said recently that Mr. Chun is more popular than his predecessor, Park Chung Hee.

"But no president has been very popular," the chairman said. "We do count on a strong leadership so that the ship can sail on."

Mr. Chun, a career military officer, began his rise to power by leading a coup that removed several leading generals about two months after Mr. Park had been assassinated by his own security aide.

Mr. Chun subsequently forced aside an interim civilian government, jailed many dissenters,

crushed a civil uprising in the city of Kwangju, and was in effect running the country by the summer of 1980.

Several months ago a high government official who is now dead conceded that the manner in which Mr. Chun took power was his heaviest liability. The problem of "legitimacy," he said, could be overcome only by successful defense against North Korea, an economic revival and a broadening of democracy. The first two essentials were being achieved, the official



Chun Doo Hwan

said, but the third had yet to be realized.

A foreign diplomat said Mr. Chun lectures visitors and advisers instead of listening to them. "It is a common saying that if the visit lasts one hour, Chun listens for five minutes and then talks for 55," he said.

Mr. Chun has sought to establish his political legitimacy by promising to step aside when his seven-year term expires in 1988 and permit his successor to be elected.

But the promise is questioned by many because the election law prescribes an indirect election by a 5,278-member council of unification from which all politicians, pro-government or anti-government, are excluded.

Mr. Chun has benefited somewhat, his aides assert, from the surge of prosperity that began with his tenure, ending a period of severe recession and inflation. The growth rate this year may exceed 10 percent, compared with 5.6 percent in 1982, and the rate of inflation has been brought down from 29 percent in 1980 to about 2.4 percent.

Many also credit Mr. Chun with diplomatic successes. He has made impressive state visits to Africa and Southeast Asia, broadening South Korea's reception by nonaligned governments. Another foreign journey was abandoned after a bomb exploded Oct. 9 on his visit to Burma, killing 17 South Korean officials, including several leading

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## U.S. and Soviet Negotiators Discuss Long-Range and Sub-Based Missiles

Frank J. Prial  
New York Times Service

**GENEVA** — The United States and the Soviet Union on Thursday held the longest session so far in the current round of the strategic arms reduction talks known as START.

The meeting convened at the Soviet delegation's headquarters at 11 A.M. and ended three hours and 35 minutes later. It followed a session on Tuesday that lasted for three hours and 15 minutes.

The next session is scheduled for Tuesday at the headquarters of the United States delegation.

Observers here saw Thursday's meeting and the one scheduled for next week as fairly conclusive evidence that the Soviet Union plans to continue negotiations on intercontinental ballistic missiles and submarine-launched ballistic missiles even though it broke off talks here last week on intermediate-range missiles. The Soviet delegates walked out of those talks after the United States refused to halt the deployment in Western Europe of land-based cruise and Pershing-2 missiles.

The START-talks were not the Soviet Union's first priority here.

At the beginning of the current round, the chief U.S. negotiator,

Edward L. Rowley, said he did not

expect major advances in the START talks until there were some signs of progress on the medium-range weapons. "We can't make any real movement until they see how that one's going to go," Mr. Rowley said, adding: "In my view, our negotiation is not their priority attention."

In fact, the chief Soviet delegate to the START talks, Viktor P. Karlov, is said to have indicated in the negotiations that the continued deployment of the U.S. medium-range weapons could force Moscow to re-examine its position on intercontinental missiles.

The United States made it known previously that it would have liked to recess the START

talks Thursday for the coming holiday season but that it would continue if the Soviet delegates wished to continue. Observers here noted that the sessions have always lasted two months, give or take a few days.

In the past four rounds of talks, each recess was accompanied by a joint statement indicating that both sides planned to resume the talks.

The fact that Thursday's session was apparently conducted normally, with at least one more scheduled for next week, led observers here to predict that the "resumption clause" will be agreed to by the Soviet delegates despite tension over the U.S. missile deployments in Western Europe.

national peace demonstration.

The guerrilla group—known by its Spanish acronym ELN—is issued two photographs to show that the younger brother of President Belisario Betancur was safe. Jaime Betancur, 33, was abducted Nov. 22 as he left the campus of Catholic University in Bogota, where he teaches law. ELN demands included wage increases, a price freeze of basic consumer items and reductions in the price of public services.

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R GRUPPO RIZZOLI-CORRIERE DELLA SERA

Wang Xuecheng received a major's insignia Thursday from General Han Pei-tsun, chief of Taiwan's general staff.

## Taiwan Gives Chinese Air Force Pilot \$1.2 Million in Gold After Defection

**TAIPEI** — A Chinese Air Force pilot who flew his MiG-17 to Taiwan last month was given \$1.2 million in gold Thursday as a reward for defecting.

Wang Xuecheng, 28, landed his jet fighter in northern Taiwan after

a 400-mile (650-kilometer) flight from Zhejiang province on Nov. 14. He was also compensated a major of the Nationalist Air Force at a Defense Ministry ceremony Thursday. Major Wang is the third Chinese pilot to have defected to Taiwan since August 1982.

The Associated Press

Photo by AP Wirephoto

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Terms for the Sandinists

Is there, finally, a bargain to be struck with Nicaragua? The Sandinist leftists are broke, and beleaguered by rebel forces supplied by the United States. In piling offer upon promise, the Managua regime seems to be asking that it be allowed to survive. What terms, then, should Washington ask for calling off the rebels' "secret" war? Genuine nonalignment, for one. No regional export of revolution. A decent regard for human rights at home. Since these are principles once avowed by the Sandinists, respect for them would justify ending — no less than waging — an illegal war.

Some of the junta's recent gestures are welcome but inconclusive. The many Cubans it reportedly has sent home can easily return; the overtures to domestic political and religious dissidents can as readily be canceled; the loosening of censorship on La Prensa, the only dissenting newspaper, is no commitment to true pluralism. The real questions concern the treaty bargain that Nicaragua is proposing.

The Sandinists no longer insist on negotiating only with the United States and Honduras, as if the security of other Central American nations was not an issue. They say they are ready for a regional pact, rooted in principles proposed by the Contadora mediators — Mexico, Venezuela, Colombia and Panama.

So far, so good. But the Contadora formula calls for an end to all outside military aid to Central American nations. This could leave the Sandinists as the strongest military power in the region among neighbors who would have no right to vital foreign help.

Daniel Ortega Saavedra, coordinator of the Sandinist junta, has said that Nicaragua would send Cuba's military advisers back to Havana if the United States in turn recalled its 200 or so advisers from El Salvador and Honduras. Nicaragua would retain an army of 25,000 and gun for much of its population — while El Salvador would be deprived of U.S. help in dealing with its insurgents. For Nicaragua, then, to forswear smuggling arms or otherwise aiding rebels in El Salvador or Guatemala would be no concession at all. On the contrary, it would let the Sandinists claim they made Central America safe for Marxist insurgency.

If the United States is to swallow its disappointment over the betrayal of genuine democrats in Nicaragua, it can hardly be asked to give up the right to assist democrats elsewhere. If there is to be a deal, it should be one that contains the Sandinists in return for their being, if not welcomed, at least allowed to manage their own society.

North Americans have no stomach for occupying Nicaragua. Nor is intervention any guarantee of democracy; the fruit of the occupation by the U.S. Marines 50 years ago was the Somocista tyranny. The CIA-aided *contras*, although they have been formidable enough to encourage negotiation, lack the strength and standing to topple the Sandinists. Therefore, the realistic U.S. response should be to encourage the Sandinists' overtures while pressing for proof that they will now promote revolution in their own country only.

— THE NEW YORK TIMES.

## Alfonsin and the Bomb

The incoming elected government in Argentina has apparently decided to embrace the same reckless nuclear policy as the outgoing military government. The reason comes down, essentially, to pure nationalism. Many people in Argentina — particularly in the navy, which runs the nuclear program — seem to like having their country on the list of countries that can produce nuclear weapons.

Argentina is also counting on the United States and Western Europe to continue the rather slack enforcement of their own commitments. If Argentina can get the equipment and materials that it wants from the Northern Hemisphere without signing the nonproliferation treaty, why should it sign? Last August, to note one recent and conspicuous lapse, the Reagan administration approved the sale of heavy water to Argentina.

Washington is now devoting great attention to transfers of potentially dangerous technologies to the Soviet Union. In contrast, it does not seem to be paying much attention to technology transfers to those countries that decline to join the international effort to restrain the spread of nuclear weapons. Maybe Buenos Aires would take the nonproliferation sanctions seriously if Washington did.

— THE WASHINGTON POST.

view is incorrect, since signing the treaty would make it easier for other countries to give technology to Argentina — as long as it was not used for weapons. Mr. Storani's insistence on his predecessors' line is ominous, since it suggests that the Alfonsin administration may be conceding more influence to the military than is healthy for either of them.

Perhaps Argentina is also counting on the Northern Hemisphere without signing the nonproliferation treaty, why should it sign? Last August, to note one recent and conspicuous lapse, the Reagan administration approved the sale of heavy water to Argentina.

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— THE WASHINGTON POST.

## Other Opinion

### Japan's Chinese 'Other Card'

The visit to Tokyo by the head of the Chinese Communist Party, Hu Yaobang, reveals what might be called Japan's diplomatic "other card." The first card had been shown shortly before with Mr. Reagan's visit; despite the caution displayed by Prime Minister Nakasone on that occasion, Japan appeared as not only the most loyal and solid ally of the United States in Asia but also a full member of the "Western camp." The reception now being given to the Chinese neighbor highlights a different system of ties. It is Asiatic and therefore more regional, but nonetheless another of the basic elements in Japanese foreign policy.

China and Japan are both worried by the Soviet military reinforcement in the Far East, particularly since the deployment of more and more SS-20s east of the Urals. They are doubtless not unhappy to see America countering that threat, but their approach to the problem is not the same as that of the United States. Neither China nor Japan wants to risk the cost of being dragged into a conflict by Mr. Reagan's "global" strategy. Both make no secret of their desire for an easing of tension in Asia at least, and they hold that their cooperation should play a stabilizing role in the region — in the Korean peninsula, in particular.

— Le Monde (Paris).

Hu Yaobang's visit to Japan deserves our special attention because undoubtedly an agreement between the two Asian superpowers will bring about significant influence on the Korean peninsula's political situation.

Although Japan and China will focus their discussions on the political and economic cooperation between the two countries, due at

tention should also be paid to the military and security stabilization of the Korean peninsula. We urge the two nations not to make the mistake of neglecting the Korean question during their discussions.

China and Japan should strive to establish institutional devices that will secure peace in this part of the world as well as create an atmosphere for cross-recognition of South and North Korea by world superpowers.

The Japanese position in relation to the situation on the Korean peninsula should be made more clear during their negotiations with China. We believe this is the best way for Japan to recover its diplomatic balance between South and North Korea.

— Kyung-hyang Shinmun (Seoul).

A reason why Japanese politics has suddenly become more interesting is Mr. Nakasone himself. Although he has only been prime minister for a year and has led a cabinet weighed down by Tanaka men, he has shown himself to be a different sort of Japanese politician. He has repeatedly indicated a desire to give Japan a more forthright presence in the world. He has, in particular, supported a stronger defense policy for his country and closer military cooperation between Japan and America in confronting Soviet power in the eastern Pacific. Unlike most of his predecessors, Mr. Nakasone has been unequivocal in placing Japan in the Western camp.

Despite his (lessening) dependence on the old shogun Tanaka, Mr. Nakasone seems well-placed to stay in office even if the Liberal Democrats do lose a few seats. More of Nakasone would be good for both Japan and the West.

— The Daily Telegraph (London).

## FROM OUR DEC. 2 PAGES, 75 AND 50 YEARS AGO

### 1908: New Caledonia to Australia?

SYDNEY — Louis Berthon, the young French officer who was condemned to transportation to New Caledonia for life for selling military secrets to Germany, has arrived here on the steamship Australis. The editor of "La France Australis," who journeyed to Paris to make representations to the French Government regarding New Caledonian interests and the serious position of the colony, returned by the same ship. Numerous letters reach Australia from residents of New Caledonia, urging annexation. They state that if a reasonable proposition is made to the French government it would be considered. The colony is now in a state approaching bankruptcy. Australian statesmen, while favoring the proposition, cannot move without the approval of France.

### 1933: Powers Favor Arms Inspection

GENEVA — The American and British delegations to the Disarmament Conference accepted informally [see Dec. 1] a system of annual inspection of their arsenals and armament factories. The British draft convention had only envisaged inspection after formal charges against a state. The control system provides for regional inspection at least once a year. The French proposed this means of avoiding a crisis, which formal allegations of treaty violation might precipitate, though such complaints can be investigated also. Arthur Henderson, chairman of the conference, announced that he will quit Geneva for a holiday in London. There is increasing belief here that when Henderson returns he will offer his resignation to the council of the League, which meets Jan. 15.

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## NYSE Most Actives

Dow Jones Averages						
	Open	High	Low	Close	Chg.	Per cent
Indus	1278.88	1285.47	1265.45	1275.10	—	0.9%
Trans	604.91	611.08	600.41	607.72	+ 2.2	3.7%
Util	131.84	134.66	134.73	135.40	—	0.6%
Comp	509.95	514.55	504.25	510.82	+	1.0%

NYSE Diaries						
	Close	Prev.				
Advanced	775	775				
Declined	855	872				
Unchanged	385	375				
Total Issues	2015	2029				
New Highs	41	51				
New Lows	39	29				
Volume up	54,964,240					
Volume down	40,665,791					

NYSE Index				
	High	Low	Close	Chg/pt.
Composite	96.31	96.04	96.19	+0.05
Industrials	111.92	111.63	111.80	+0.07
Transp.	105.22	99.97	100.22	+0.25
Utilities	48.26	48.18	48.21	+0.11
Finance	96.47	96.24	96.47	+0.00

## Thursday's NYSE Closing

Vol. at 4 p.m. 186,576,680  
 Prev. 4 p.m. Vol. 128,132,000  
 Prev Consolidated Close 141,359,610

AMEX Diaries		Close	Prev.
Advanced		255	255
Declined		281	288
Unchanged		240	259
Total Issues		824	850
New Highs		13	12
New Lows		5	5
Volume up	2,607,430		
Volume down	1,670,400		

	Close	Chg/p	Week Avg	Yr-to- Ago
Composite	284.67	+8.40	-	234.10
Industrials	324.75	+0.19	-	224.22
Finance	277.71	+0.14	-	219.00
Insurance	262.20	+2.40	C150	219.00
Utilities	258.84	+1.72	-	219.44
Banks	291.19	+0.98	-	157.44
Transp.	252.46	-1.19	-	191.67

	Vol.	High	Low	Close	Chg.
Hector	2055	1440	1350	1324	+ 14
Pet-Liner	2442	1252	1174	1200	+ 26
Dixie Corp.	1834	1250	1174	1200	+ 26
MIPAC/Int'l	1834	2044	2000	2074	+ 74
American's	1400	1014	974	1014	+ 14
Diamond	1212	97	94	100	+ 6
TIE S	993	516	494	511	+ 18
Echostar Ind	970	779	750	770	+ 20
Tropicana	528	394	379	394	+ 15
AMBIK S	669	374	354	374	+ 20

12 Month	High	Low	Stock	Div.	Yld.	PE	Sis.			Close		
							100%	High	Low	Quot.	Ch.	
4046	36	Belton	.71	1.8	13	1993	40	37%	37%	41	+ 1	
4052	32%	Bent	1.40	2.00	1.40	1.40	34%	34%	34%	41	+ 1	
3546	15%	BentCo	2.80	5.50	11	177	34%	34%	34%	41	+ 1	
3704	20%	BentPf	4.30	12.6	2	34%	34%	34%	34%	41	+ 1	
1176	5%	BentSt	2.50	3.6	9	426	6%	54%	54%	56	+ 1	
704	4%	Berkay	.36	1.1	12	12	32	32	32	32	- 1	
394	22%	BerselPd	.40	1.0	1	210	32%	32%	32%	32	- 1	
27	14%	BethCo	1.40	1.40	1	24	34%	34%	34%	34	+ 1	
5514	43	BethCo	5.00	9.0	92	36	54%	54%	54%	54	+ 1	
274	24%	BethCoSt	2.00	2.0	24	36	54%	54%	54%	54	+ 1	
444	21%	Bevity	2.80	2.8	24	42	24%	24%	24%	24	+ 1	
28	16%	BeyerThr	.72	2.1	24	17	24	24	24	21	- 1	
4795	30%	Beymer	1.20	1.20	24	22	24%	24%	24%	24	- 1	
2094	14%	Biamond	.50	1.0	24	348	25%	25%	25%	25	- 1	
2251	14%	Biamond	.50	1.0	24	348	25%	25%	25%	25	- 1	
3024	20%	Biamond	.50	1.0	24	348	25%	25%	25%	25	- 1	
4524	20%	Biamond	.50	1.0	24	348	25%	25%	25%	25	- 1	
42	16%	BiamondR	.20	1.0	24	348	25%	25%	25%	25	- 1	
4776	20%	BivesB	1.80	2.0	24	55	54%	54%	54%	54	+ 1	
4754	14%	BivesB	1.40	2.1	24	55	54%	54%	54%	54	+ 1	
4776	20%	BivesC	1.90	4.5	24	151	45%	45%	45%	45	+ 1	
5024	20%	BivesC	1.90	4.5	24	151	45%	45%	45%	45	+ 1	
61	5%	Borden	2.44	4.6	9	618	52%	52%	52%	52	+ 1	
2746	15%	BrewWe	1.20	1.20	24	24	24	24	24	24	- 1	
134	6%	Bremm	2.00	16.1	8	800	125%	125%	125%	125	+ 1	
75	6%	Bremm	2.00	12.6	8	800	125%	125%	125%	125	+ 1	
104	9	BremmPr	1.70	17.0	24	800	125%	125%	125%	125	+ 1	
1294	10%	BrengI	1.40	12.6	24	57	17%	17%	17%	17	+ 1	
4795	31%	Bristol	1.20	1.20	24	115	4%	4%	4%	4	- 1	
554	2%	Britland	1.00	4.1	9	88	25%	25%	25%	24	- 1	
214	18%	Briton	1.40	1.40	24	24	24	24	24	24	+ 1	
194	15%	Briton	1.40	1.5	24	24	24	24	24	24	+ 1	
194	15%	Britchery	1.20	2.8	24	54	24%	24%	24%	24	+ 1	
2294	27%	BrixUUG	2.00	4.9	24	54	24%	24%	24%	24	+ 1	
304	30%	BrukU	2.50	2.5	24	54	24%	24%	24%	24	+ 1	
179	7%	Brunsh	2.0	1.1	24	54	24%	24%	24%	24	+ 1	
3794	22%	BrunshGe	1.10	1.20	19	54	24%	24%	24%	24	+ 1	
4794	22%	BrunF	.80	1.9	19	465	25%	25%	25%	413	+ 1	
2014	11%	BrunF	.80	1.25	23	54	24%	24%	24%	24	+ 1	
5014	11%	BrunF	.80	1.25	23	54	24%	24%	24%	24	+ 1	
2014	11%	BrunF	.80	1.25	23	54	24%	24%	24%	24	+ 1	
1094	16%	BurndR	2.10	12.4	24	715	10%	10%	10%	716	+ 1	
43	5%	BurndR	1.50	1.7	24	715	10%	10%	10%	716	+ 1	
714	5%	BurntN	1.80	1.7	10	649	100%	100%	100%	649	- 1	
2114	19%	BurntN	2.10	10.2	24	2	20%	20%	20%	20	- 1	
2642	14%	BurntN	.84	4.1	23	1615	47%	47%	47%	47	- 1	
5794	31%	Burrr	2.60	5.5	20	1615	47%	47%	47%	1774	- 1	
2412	14%	Burrr	2.60	5.5	20	1615	47%	47%	47%	1774	- 1	
1412	7%	Burrr	2.60	5.5	20	1615	47%	47%	47%	1774	- 1	
C												
62%	25%	CBJ In	1.400	4.4	19	148	31%	31%	31%	31	+ 1	
81%	23%	CBS Co	2.00	4.0	11	488	100%	100%	100%	654	+ 1	
114	4%	CBD	1.00	1.0	1	100	9%	9%	9%	9	- 1	
1154	4%	CCX Pr	1.25	13.9	24	370	9%	9%	9%	9	- 1	
5114	57%	CIGNA	2.40	5.4	7	270	40%	40%	40%	414	+ 1	
3094	24%	CIG Co	2.75	7.0	6	144	25%	25%	25%	273	+ 1	
2284	14%	CINA Fp	2.50	2.5	6	144	25%	25%	25%	273	+ 1	
2024	21%	CNA Pr	1.10	4.1	9	704	47%	47%	47%	1016	- 1	
11	9%	CNAI	1.2001	1.9	9	704	47%	47%	47%	1016	- 1	
4434	33%	CNCPC Int	1.20	2.0	12	1975	26%	26%	26%	26	- 1	
2114	13%	CPC NH	1.20	2.4	12	54	26%	26%	26%	26	- 1	
2114	13%	CSCX Int	1.20	2.4	12	1975	26%	26%	26%	26	- 1	
5744	28%	CTRS	1.00	2.0	12	54	26%	26%	26%	26	- 1	
2024	13%	Ct Inc	.92	3.4	12	613	26%	26%	26%	26	- 1	
1814	7%	Coscor	.50	1.1	24	115	22%	22%	22%	115	+ 1	
2054	17%	Colina	.25	1.1	24	31	19%	19%	19%	19	+ 1	
2514	14%	CommCo	.40	2.9	24	309	26%	26%	26%	26	+ 1	
1214	7%	CRL Co	.50	5.0	51	50	5%	5%	5%	5	- 1	
414	24%	CmpR R	2.30	3.8	11	572	5%	5%	5%	572	- 1	
4044	40%	ComSa	2.40	4.0	12	147	41%	41%	41%	41	+ 1	
4224	24%	ComPE Co	1.40	1.40	24	47	17%	17%	17%	17	- 1	
1004	13%	ComPr	1.40	1.40	24	47	17%	17%	17%	17	- 1	
1574	111%	ComPr	1.40	1.40	24	785	10%	10%	10%	10	- 1	
112	10%	ComPr	1.40	1.40	24	785	10%	10%	10%	10	- 1	
2014	8%	ComPr	1.40	1.40	24	785	10%	10%	10%	10	- 1	
2014	8%	ComPr	1.40	1.40	24	785	10%	10%	10%	10	- 1	
2014	22%	ComPr	1.40	1.40	24	785	10%	10%	10%	10	- 1	
4544	39%	ComPr	2.20	4.0	14	365	26%	26%	26%	26	- 1	
3594	12%	ComPrF	.32	1.1	14	365	26%	26%	26%	364	- 1	
2574	20%	ComPrW	2.50	10.2	8	365	26%	26%	26%	364	- 1	
5114	34%	CorTec	2.10	4.1	23	253	5%	5%	5%	51	- 1	
1114	7%	CorTec	0.35	1.1	24	253	5%	5%	5%	51	- 1	
2014	20%	CorTecPr	1.20	3.8	14	365	26%	26%	26%	364	- 1	
2424	17%	CorTecPr	1.20	3.8	14	365	26%	26%	26%	364	- 1	
4044	40%	CorTecPr	1.20	3.8	14	365	26%	26%	26%	364	- 1	
28	17%	CorTecPr	.48	2.3	23	54	21%	21%	21%	21	- 1	
1054	9%	CorTech	1.12	12.1	23	51	31%	31%	31%	31	- 1	
3614	31%	CorTech	2.50	2.5	20	2044	26%	26%	26%	26	+ 1	
4914	36%	CorTech	1.50	2.4	20	2044	26%	26%	26%	26	+ 1	
37	27%	CorTech	1.00	2.0	20	57	37%	37%	37%	37	- 1	
794	41%	CelarCo	4.00	5.0	28	982	5%	5%	5%	73	- 1	
4044	33%	Centel	2.50	12.0	11	1370	37%	37%	37%	1370	- 1	
3314	25%	Centex	2.50	12.0	11	257	30%	30%	30%	257	- 1	
2024	16%	CentexH	1.70	1.7	24	765	20%	20%	20%	20	- 1	
2524	22%	CentexH	1.70	1.7	24	765	20%	20%	20%	20	- 1	
2524	22%	CentexH	1.70	1.7	24	765	20%	20%	20%	20	- 1	
23	17%	CentexH	1.20	9.0	8	72	25%	25%	25%	22	- 1	
22	24%	CentexH	0.25	11.2	24	2000	25%	25%	25%	2000	- 1	
2424	21%	Centix L	2.40	11.5	8	4002	22%	22%	22%	22	- 1	
1734	13%	CPN IPS	1.50	6.1	8	512	16%	16%	16%	16	- 1	
1814	13%	CoLoElt	1.84	4.8	7	160	15%	15%	15%	15	- 1	
2524	26%	CoLoElt	1.40	12.8	12	236	25%	25%	25%	236	- 1	
1714	14%	CoLePw	1.20	12.5	7	416	15%	15%	15%	15	- 1	
1614	13%	CoSgoy	3.04	3.4	8	795	15%	15%	15%	15	- 1	

# 85% UP, 5% UNCHANGED

---

**On August 9th 1982, BARRON'S** was saying it's seen the future and it doesn't share the N.Y. TIMES, which could not be reached, the most steel will "hang their towels". At the same time BARRON'S pessimistic projections our research Averages were under 790) advising caution that the "DJI will touch 1,000 before year-end".

**DOWN, 10%  
PLUS BO DEREK**

used .... "The market seems to be work". BARRON'S bearishness was presented a week later, "The bottom has optimists may be about to throw in "S and the TIMES were spewing out others defied the "Crowd" (while the hints to "buy into weakness", predict: RE HITTING 750".

ing Bo Derek to play Joan of Arc, the be written. Since January 1982, 85% have advanced, 5% are down; with tations" have escalated 500%. As positioning Managed Accounts into \$1.50; the shares climbed to \$14 company is controlled by two Gulliver is the group that transformed a 30 ossus that grosses \$700,000,000.

hood of the market, focusing upon dators", emulating the dossier of candidate at \$19. Within six weeks was published the company was to \$45.

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Netherlands	Fl.	450	225	124
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Portugal	Esc	10,000	5,000	2,750
Spain	Ptas	16,250	8,130	4,480
Sweden	S.Kr.	1,160	580	320
Switzerland	S.Fr.	356	178	98
Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East	\$	260	140	77
Rest of Africa, Canada, Latin America, Gulf States, Asia	\$	390	195	107

# CARIBBEAN/CENTRAL AMERICAN TRADE AND DEVELOPMENT

A SPECIAL REPORT

FRIDAY, DECEMBER 2, 1983

Page 9



## U.S. Policy Hardens as Reagan Sees Threat to Area's Stability

By John M. Goshko

WASHINGTON — When Theodore Roosevelt was president, he once concluded a discussion of Central America and the Caribbean by exclaiming: "These wretched republics cause me a great deal of trouble."

Now, as the worldwide reactions to the U.S. intervention in Grenada have made clear, Ronald Reagan is having similar thoughts.

To most of the world, the Grenada invasion may have looked like overkill. It was a situation that pitted a superpower against an eastern Caribbean ministrat with 106,000 people.

Mr. Reagan's move against Grenada came less than a week after Grenada's Cuban-trained military seized power and killed Prime Minister Maurice Bishop and 16 others. Mr. Bishop and his self-proclaimed "radical leftist" government had seized power in 1979.

The action was the latest and most dramatic sign of the Reagan administration's fear that the Caribbean could become an area of instability and radicalism threaten-

ing the security of the United States.

Behind that fear is the administration's conviction that President Fidel Castro of Cuba, backed by the Soviet Union, is intent on exploiting social and economic unrest to create a "revolution without frontiers" that will ripple through the islands and Central America and leap up against the southern borders of the United States.

In seeking to contain this perceived threat, the administration, over the last three years, effectively has transformed U.S. policy into an updated version of what was known in Theodore Roosevelt's time as "the Roosevelt corollary to the Monroe Doctrine" — the idea that the Caribbean is a U.S. "lake" that the United States is obliged to intervene when its interests are threatened.

Within weeks of taking office in 1980, Mr. Reagan began U.S. assistance to El Salvador's campaign against leftist insurgency. He subsequently broadened U.S. involvement in the isthmus through a series of controversial moves against the pro-Cuban, Sandinist regime in

Nicaragua, including covert support for guerrilla groups fighting Sandinist rule and massive, show-of-force naval and land maneuvers in the area.

When U.S. policymakers talk about the "Caribbean Basin," they are referring to an area framed on the eastern side by the string of islands stretching 2,000 miles (3,200 kilometers) through the Caribbean Sea between the Bahamas and Trinidad and on the west and south by the contiguous land mass that includes Mexico, Central America and the northern tier of South American countries.

In addition to its obvious strategic relationship to the Panama Canal and international shipping routes, the region is an important center of U.S. trade and investment, providing, among other things, two-thirds of the bauxite required by the U.S. aluminum industry.

The area is the largest source of illegal immigration into the United States. It also provides the routes across which most illegal narcotics (Continued on Following Page)

## Recession, Debt Bring New Tensions

By Robert Henriques Goring

WASHINGTON — The combined effects of debt and recession in the industrialized world have resulted in increased economic hardships and political tensions in the Caribbean Basin.

Within this region, 22 of the 27 countries covered by the Caribbean Basin Initiative, the U.S. package of aid and trade incentives, owe foreign creditors an estimated \$28 billion. This is about 60 percent of these countries' combined gross national product.

However, there are important distinctions between the island states of the Caribbean, and the

countries of Central America; they are part of this region. Common to both has been a pattern of debt-financed industrialization, and what Nobel laureate Sir Arthur Lewis, a native of the Caribbean Basin, called "living beyond our means."

Capital flight and war recently have provoked indebtedness. An economist at an international financial institution put it bluntly: "The rich Central Americans are refusing to pay their taxes. They're putting their dough into [banks in] Miami and Panama. They just don't have any faith in their governments."

(Continued on Following Page)

## Atlantic Council Report

Special to the IHT

PARIS — The growing economic and strategic importance of the Caribbean Basin cannot be ignored by the United States and its Western allies, and they must focus "concerted and sustained attention" on the region to offset growing Cuban and Soviet influence, according to a policy paper by the Washington-based Atlantic Council of the United States, a private, bipartisan organization for the study of foreign policy.

"If the United States and Western Europe are to defend their interests and make a positive contribution to the region, policies must be developed that are consistent, enjoy broad domestic support and can be sustained over the long term," the paper went on.

The report, "Western Interests and U.S. Policy Options in the Caribbean Basin," was written by a broadly based group of 50 experts (Continued on Following Page)

## A Centerpiece for the Reagan View

By David Vidal

WASHINGTON — The Reagan administration's Caribbean Basin Initiative, regarded by proponents as a unique blend of aid, trade, investment and tax policies to stimulate economic development, and by skeptics as an inadequate and overly politicized plan, is about to disburse its first trade benefits to a group of willing recipient countries.

Next Jan. 1, the part of the CBI legislation granting duty-free access to the U.S. market for certain products from the Caribbean and Central American nations for a period of 12 years takes effect. It is the centerpiece of the Reagan adminis-

tration's view that Third World development is best achieved through market-oriented policies and private-sector investment rather than through government-to-government assistance.

A total of 27 nations in the Caribbean Basin, Cuba excluded, are named as potential beneficiaries of the plan in legislation approved by the Congress this summer and signed into law on Aug. 5 as the Caribbean Basic Economic Recovery Act of 1983. State department officials currently are engaged in talks with a group of 8 to 10 countries that are expected to be "designated" beneficiaries and announced by December.

(Continued on Following Page)



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## CARIBBEAN/CENTRAL AMERICAN TRADE AND DEVELOPMENT

## Reagan Hardens U.S. Policy on Region

(Continued From Preceding Page) enter the eastern half of the country.

Many critics, both in the United States and Latin America, believe that Mr. Reagan is making a mistake in attempting to contain the Cuban threat through military actions and aid programs, such as the Caribbean Basin Initiative, that treat the region as a monolithic entity.

According to this argument, even the term "Caribbean Basin," which seems to represent a logical geographical grouping, is based on

a premise that fails to take into account the differences of culture, language and social development between former Spanish, British, French and Dutch colonies.

Also, the era of U.S. "gunboat diplomacy" and its accompanying contingents of U.S. Marines is vividly remembered and bitterly resented in Central America. Nicaragua's Sandinists, for example, named their movement in pointed homage to Augusto César Sandino, a nationalist who led an insurrection against U.S. occupation in the 1920s.

In later years, the United States switched to a new way of preserving the status quo. It purrs responsibility for keeping the region quiet between former Spanish, British, French and Dutch colonies.

But the rise of Mr. Castro in Cuba and, two decades later, of the Sandinists in Nicaragua demonstrated that this system could no longer work.

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## Recession, Debt New Bring Tensions

(Continued From Preceding Page)

increase their exposure. That makes it difficult for debt-ridden countries to roll over maturing loans. Jamaica, despite the warm embrace of U.S. President Ronald Reagan, who endorses the government's strongly pro-capitalist stance, has tried unsuccessfully for six months to raise \$200 million in loans from U.S. and European banks. Without cash, such debt-ridden countries will be forced to curtail imports drastically.

In the past year, six countries have had difficulty servicing debts and have been forced to renegotiate with their creditors, a painful and costly process. One former Caribbean minister remarked, "So much expensive time and energy is being spent by senior government officials traveling around the world managing the debt, that there is no time to devote to development plans or tax reform. . . . It's sheer folly."

Five other countries are behind in repayment.

Total debt for the region is estimated at \$21 billion of "publicly held and guaranteed debt." However, the total debt including short-term supplier credits and nonguaranteed debt is probably close to \$28 billion. No one knows how much of the nonguaranteed debt is owed by whom to whom.

The World Bank, which is the official recorder of international debt statistics, reports Costa Rica's debt at nearly \$2.5 billion; unofficial estimates have been placed at \$3.8 billion.

By these estimates, of the total debt, the Caribbean owes \$8.8 billion (including an estimated \$1.8 million owed by Cuba to Western creditors), while Central America owes \$1.4 billion.

The countries with the biggest debts are Panama with \$2.8 billion, Costa Rica with \$2.5 billion and Jamaica with \$2.3 billion.

The level of debt — \$2 billion in 1970 in external indebtedness — has increased more than 10 times. In the past five years, it has jumped 350 percent. The reluctance of banks to lend further is likely to slow the rate of increase.

Declining maturities have caused hardships. In 1975, Costa Rican debt had an average maturity of 17 years; that fell to nine years in 1981. In 1982, the country could not meet its payments and the debt was renegotiated. The average grace period doubled, and now the average maturity is 20 years.

Interest rates are widely scattered. Panama pays 14 percent on its debt and the Bahamas 19.6 percent. In El Salvador, the interest rate is 3.7 percent, a product of U.S. government-subsidized loans.

On a per capita basis, debt has risen dramatically. In 1970, each Jamaican resident owed \$152 to foreign creditors. Today the figure is more than \$1,000, uncomfortably close to the island's gross national product.

As a result of rising indebtedness, a growing number of countries are operating under International Monetary Fund stabilization programs. These have required drastic measures such as cutbacks in social programs and devaluations.

Currently, 10 of the region's countries are under IMF stabilization programs. Regular monitoring attempts to assure that the countries meet performance targets laid down by the IMF. But with the increasing difficulty of the international economy and particularly the decline in commodity prices, countries are having difficulty meeting the targets.

Recently, El Salvador's government was only able to meet the IMF conditions after the U.S.

Agency for International Development transferred \$109 million to the country.

Service costs have risen at more than twice the pace of the overall debt. For example, in the Dominican Republic 20 years ago, 1 percent of the income from exports covered interest and principal. Today, more than one dollar in five earned from exports of sugar and minerals is required to service the debt.

That leaves little for essential imports of foodstuffs and medicines. Costa Rica pays more than 10 percent of its gross national product for interest on its debt. An economist with an international lending agency said: "We did some projections; there's no way they can be creditworthy — unless you write off the debt."

A World Bank economist, Chandra Hardy, said, "Countries used to ask, 'How much borrowing is needed to achieve a certain rate of economic growth?' Now major economic decisions follow after borrowers have determined how to meet overdue and future debt service."

"The real difficulty facing the region is precisely their inability to borrow enough money to meet their debt service payments and have something left for development."

There are also social costs of debt. In the Dominican Republic, the debt burden has diverted resources from health and education toward interest payments. The failure of the government to maintain health immunization and eradication programs has contributed to an outbreak of malaria and other epidemics. Several Dominican doctors recently reported that 40 percent of all illnesses can no longer be treated because of a shortage of imported medicines.

In Jamaica, government cutbacks have resulted in a severe shortage of nurses at the public hospitals and a breakdown in the educational system.

For the indebted nations of the Caribbean the international environment is crucial. "These countries are very much dependent on raw material exports," said William Cline of the Institute for International Economics in Washington. Since commodity prices are at a 30-year low, the economic situation is strained.

The combined effects of the rising debt burden and declining raw material revenues boost the share of export earnings that must be devoted to debt service and increase the demand for balance of payments support.

As a result, several countries are forced to devote more than a fifth of their export earnings to debt service: Jamaica, the Dominican Republic and Costa Rica. Guyana's debt service is in excess of 100 percent of its export earnings. If there is a recovery in international commodity prices, the debt outlook will improve considerably. But "if there is no international recovery," said Mr. Cline, "these countries will be forced to use unorthodox rescheduling techniques. They will be forced to reschedule interest payments. The situation then becomes a lot more like the 1930s."

In any case, the next three years promise to be difficult. Short of a debt moratorium, there will have to be severe belt-tightening.

*Robert Henriques Girling, a Jamaican-born economist, is Professor of Management and Economics at California State University at Sonoma. He is author of a forthcoming book "Multinational Institutions and the Third World" to be published in 1984.*

## Atlantic Council Report

(Continued From Preceding Page)

The policy paper specifically recommends that the United States:

• Formulate and implement a "comprehensive and imaginative" plan for economic development in the region, supported by bilateral and multilateral assistance and based on regional cooperation.

• Approve funding increases to the International Monetary Fund, the World Bank's International Development Association and the Inter-American Development Bank, as well as expand bilateral aid programs.

• Extend its security assistance efforts where warranted, including increasing military training programs as requested and expanding the role of the U.S. Coast Guard in the Eastern Caribbean.

• Promote regional political cooperation and peacekeeping through the Contadora Group and through the Organization of American States among other organizations.

• Exert "such leverage as it can" against perceived human rights abuses.

## Direct Investment by U.S. Reaches \$4.4 Billion

This article is excerpted from the manuscript "Worldwide Investment and Disinvestment by U.S. Multinationals: Implications for the Caribbean and Central America."

By Marc W. Herold

DURHAM, New Hampshire — U.S. capital figures prominently in the Caribbean Basin in the most diverse forms.

There are Hardee's snack food outlets, Exxon refineries, Pillsbury's flour mills, Del Monte plantations and Maidenform bra workshops.

There are primarily six categories of U.S. investment: agribusiness and plantation holdings, manufacturing geared to the local

markets, investments in rawware shops or export manufacturing, mining and petroleum operations, banking and finance-related activities and tourism and service industries.

U.S. direct investment in Central America rose between 1973-1982 from \$1.5 billion to \$4.4 billion (of which two-thirds was in the trade and finance sectors).

The Caribbean, on the other hand, have been the site for more export-oriented investments, whether of the traditional mining and tourist sort or the more recent offshore oil-processing and banking type, or simply export manufacturing.

However, some recent export-oriented investment also can be found in Central America, particularly in apparel (Warnaco, Lovelace, Worth Sport, Hirsh Enterprises) and electronics (Texas Instruments, Motorola) and in plantation agriculture (United Brands, Castle & Cooke, Del Monte).

A recent addition has been the introduction of shrimp farming and beef cattle. At least two-thirds of Central America's arable land now is devoted to cattle raising and 90 percent of that beef is shipped to the United States.

New investors tend to be small- and medium-size enterprises rather than the established multinational corporations. Recent U.S. commercial policies (especially the Caribbean Basin Initiative and actions of the Overseas Private Investment Corporation) have been aimed at strengthening the bilateral relationships between Caribbean nations and the United States.

Traditional investments in plantation agriculture still represent a major stake for a handful of U.S. corporations, namely Castle & Cooke (Honduras), R.J. Reynolds (via its Del Monte affiliates in Guat-

temala and Costa Rica), United Brands (Honduras, Costa Rica, the Dominican Republic, etc.), Gulf & Western (the Dominican Republic) and Hershey (Belize).

Manufacturing geared to the local market boomed through the 1960s, given special impetus by the formation of the Central American Common Market. By 1980, there were a minimum of 300 U.S. multinational investments in these types of market-oriented activities.

The other major area of U.S. manufacturing investment is in plants that produce or manufacture products for export to the U.S. market. The Dominican Republic, Haiti and El Salvador host the largest number of such investments, with each country granting special tariff and tax concessions.

U.S. holdings in petroleum jumped from approximately \$1 billion in 1974 to \$2.4 billion in 1982. Most of the petroleum investments in Central America are concentrated in small import-substituting refineries.

The Caribbean as a whole is important as an oil-refining center for the U.S. market. It is one of the five major export-refining centers of

the world, with oil arriving from most of the major oil producers of the world — Venezuela, Mexico, Alaska, the Middle East, and Africa.

The largest offshore refining centers are in the U.S. Virgin Islands, the Netherlands Antilles and Trinidad.

U.S. oil companies also are involved in refining on Martinique, Antigua and Barbados. Among the firms that operate in these countries are Amoco, Texaco, Esso, Occidental, Tesoro Petroleum and Amerada Hess.

No single U.S. investment in the Caribbean has grown so relentlessly in the past three decades as that of tourism. An array of U.S. investors ranging from the large chains of international hotels and vehicle rental companies to thousands of small enterprises moved into the Caribbean to service primarily U.S. tourists.

*Mark Herold is associate professor of economic development and director of the economics program at the Whittemore School of Business and Economics, University of New Hampshire, Durham.*

## CONTRIBUTORS

JOHN GOSHKO is a diplomatic reporter for The Washington Post. WILLIAM A. ORME JR. is a correspondent in Central America and Mexico for the New York-based Journal of Commerce. DAVID VIDAL is a journalist specializing in Central and South America who has written for The Associated Press and The New York Times. Additional reporting was done by CANUTE JAMES, a journalist based in Kingston, Jamaica, who writes on Caribbean affairs; BARBARA KOEPPEL, a contributing editor to The Progressive magazine based in Washington, who has written extensively about Central America; and TIM SMART, a business writer for The Miami Herald.

## Reagan Views Are Apparent In Plan

(Continued From Preceding Page)

country could be designated a beneficiary was retained as one of the criteria.

Nicaragua, Grenada, Guyana and Surinam, all leftist governments at the time the bill was passed, were included in the group of 27 nations that technically can qualify for CBI benefits — if they meet the criteria and are so designated by the president.

The U.S. invasion of Grenada has opened the way for a whole new range of funds and activities independent of the CBI to be made available for an island that previously would have been disqualified because of its Marxist government. In addition to eventual beneficiary status under the CBI, U.S. officials have announced that Grenada will receive \$30 million more in aid, evenly divided between economic and military assistance.

Ironically, the United States' response to Grenada fulfills the mission that aid given quickly is all given twice, a maxim quoted last year by Prime Minister Eugene Charles of Dominica. She was one of the Caribbean leaders most concerned with delays in implementation of the CBI and who had reservations about the slight attention given to infrastructure needs that require government-to-government assistance. This year, she was the only Caribbean leader present with President Ronald Reagan at a White House news conference after the invasion of Grenada.

The CBI plan is a three-pronged program that has been implemented in two stages corresponding to two different political environments in the Congress. The administration consistently has touted the program as one involving aid and private investment.

When the first CBI bill was presented in 1982, only the emergency aid portion survived congressional scrutiny. It offered \$350 million to the entire region and gave an involved and controversial definition that included the island nations of the Caribbean and the historically and ethnically different nations of Central America.

A large portion of that aid, for example, went for U.S. efforts to support the government of El Salvador in its war against leftist guerrillas. This contributed to much of the early criticism of the CBI as a military assistance plan for Central America under the guise of an aid plan for the Caribbean.

At a time of domestic economic recession, Congress also proved unwilling to back the trade portions of the program, which labor unions feared would lead to the transfer of U.S. jobs overseas. This year that attitude changed and the trade and investment parts of the program, which had been reintroduced by the administration at a time of economic recovery, were approved in the second life of the CBI.

The major provision of this law calls for duty-free entry of any article "that is the growth, product or manufacture of a beneficiary country," as long as the direct costs of processing operations in the country is not less than 35 percent of the appraised value of an article at the time of entry to the U.S. market.

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## Central America: Economic Decline

By Richard E. Feinberg  
WASHINGTON — Central American economies present a grim panorama of disintegrating infrastructure, increasing unemployment, falling levels of savings and investment, and evaporating foreign exchange reserves. Living standards have deteriorated steadily since 1979, and an early recovery

is unlikely.

Adverse swings in the international economy have destabilized the open and vulnerable economies of Central America. Serious political conflict is frightening investors and impeding development planning. Moreover, the region's long-term development strategies, despite some notable achievements, have been seriously flawed.

When the international economy was more buoyant, the Central American economies prospered.

During the 1960s and portions of

the 1970s, expanding export markets

absorbed a growing volume of

the region's agricultural produce.

As a result, the region grew at near-

6 percent a year, and per capita income approached \$1,000 —

about half that of Mexico but well

above the subsistence levels com-

mon in sub-Saharan Africa. By

1981, Costa Rica led with \$1,400

per capita income, followed by

Nicaragua (\$1,100), Nicaragua

(\$650), El Salvador (\$650) and

Honduras (\$600).

The impressive growth rates

achieved prior to 1978 also can be

attributed to investment in expan-

ded agriculture and the crea-

tion in 1960 of the Central Ameri-

can Common Market. The

Common Market created a region-

free trade zone protected against

world competition by a common

tariff.

Local industry was stimulated by

widened and secure market in-

ustrial output rose from 12 per-

cent of regional output in 1960 to

early 17 percent in 1978. Trade

among Central American countries

leaped from virtually zero in 1960

to nearly \$900 million in 1978, with

manufactures accounting for 95

percent of the total.

But just as global prosperity pro-

vided a powerful stimulus to

growth, the global recession that

hit in during 1980 constituted Central America's economic horizons.

Central American governments

tried to offset declining terms of

trade by borrowing abroad. Yet at

the same time that Central America's purchasing power decreased,

the price of capital rose. Currently,

Central American governments

and private borrowers owe com-

mercial banks about \$5 billion.

Caught in the twin vices of de-

clining export prices and high in-

terest rates, and of shrinking export

markets and reduced access to new

finance, the Central American econo-

mies have crumbled. All five

economies are having trouble re-

making current on debt service,

and Nicaragua and Costa Rica

have rescheduled their relatively

large debts.

Desperate for cash and under

pressure from official donors and

commercial banks, all the states of

the region except Nicaragua have

signed stand-by arrangements with

the International Monetary Fund.

Typically, the IMF has required

sharp reductions in budget deficits,

cuts in government subsidies, high

local interest rates, and lower

real wages.

When the international crisis hit,

Central America's own develop-

ment efforts were showing strains.

Growing up behind high tariff

walls and enjoying captive markets,

much of the region's light industry

was relatively inefficient and oper-

ated at low capacity utilization

rates. Uncompetitive in world mar-

ets, the "hot house" industries

could not generate the hard-curren-

cy exports needed to balance their

import needs.

The region's development strate-

gies (excluding Costa Rica and to a

degree Honduras) also failed to ad-

dress the existing unequal distri-

bution of wealth and income. The

conventional wisdom of the 1960s

was "trickle down" development,

whereby it was assumed that the

benefits from growth would gradua-

lly spread to all sectors of the

population. In Central America,

the combination of high popula-

tion growth and repressive govern-

ments kept wages low, and the al-

ready yawning gap between the

poorest and the richest widened.

These development problems

have been compounded by political

instability. In the past four years,

private capital flight totaled ap-

proximately \$2 billion to \$3 billion.

Economic recovery is possible in

Central America, but will require

a improved international econo-

my, adjustments in development

strategies and improved economic

management, and reductions in poli-

tical tensions. Global recovery is

the key to Central America's fu-

ture, but peace is another, perhaps

more important, one.



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Gives  
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rkets**BUSINESS BRIEFS****British Officials Cautiously Optimistic After 2d Straight Fall in Jobless Rate**

LONDON (Combined Dispatches) — The unemployment rate in Britain fell to 12.9 percent of the work force in November from 13 percent the previous month, the Department of Employment said Thursday. It was the second successive monthly decline, and government officials expressed cautious optimism that unemployment had finally leveled off.

The government said 3.08 million people were unemployed on Nov. 10, down from 3.09 million on Oct. 13. On an adjusted basis, unemployment was unchanged at 12.5 percent, with 2.9 million people out of work.

The underlying trend of adult unemployment also edged down for the second month in a row, for the first time in four years. But the department said the number of job openings registered with government employment offices fell by 4,300 on an adjusted basis, to 162,800. (AP, Reuters)

**Dome Seeks to Stretch Out Debt**

CALGARY (Alberta, Reuters) — Dome Petroleum said Thursday that it is seeking to stretch out payment of its debt of 6.3 billion Canadian dollars (\$3.1 billion) to 10 to 12 years.

Dome also said it plans to improve its capital structure by issuing 700 million Canadian dollars worth of equity-related securities.

Dome said the plan, which must be approved by the more than 50 banks to which the company owes money, would permit it access to debt and equity markets in normal terms within a reasonable period. It said that it "contemplates" that an agreement in principle will be reached by the end of January, with implementation during the first quarter of 1984.

**Ford Leads Foreign Car Sales in France**

PARIS (Reuters) — Ford Motor Co. took the largest foreign share of the French car market in September with 6.87 percent, up from 4.40 percent in August, the car importers' association said. Fiat, which led in August with a 6.79-percent share, fell to 5.47 percent in September.

For the first nine months, Ford took 6.87 percent of the market, up from 6.03 percent in the 1982 period; Fiat was in second place for the period with a 5.79-percent market share, compared with 6.22 a year earlier.

**China to Fulfill Its Grain Pact With U.S.**

WASHINGTON (UPI) — Chinese officials have assured the U.S. government that China will meet its grain purchase obligation for 1983 under a four-year grain agreement, according to the U.S. Agriculture Department. A dispute earlier this year over textile trade had cast doubt on the status of the grain agreement.

The Chinese Embassy here said Wednesday that China would buy the 2 million tons of wheat and corn needed to meet the 6-million-ton yearly total required by the agreement. Agriculture Department officials said some of the grain might not be shipped this year.

**GTE Corp. Says Its President Resigned**

STAMFORD, Connecticut (UPI) — Thomas A. Vandendriess has resigned as president and chief operating officer of GTE Corp., according to an announcement Thursday by the company's chairman and chief executive officer, Theodore F. Brophy. He said Mr. Vandendriess was resigning "to pursue other interests" but would serve as a consultant to GTE for an indefinite period.

Mr. Brophy said that two chief operating officers, Allan L. Rayfield and James L. Johnson, would be reporting to him. Mr. Rayfield, formerly of GTE Communication Products Corp., will be a senior vice president of GTE and president of the Diversified Products and Services Group. Mr. Johnson will also be a senior vice president and will be president of the Telephone Operating Group. He will continue to oversee all GTE telephone operating companies and GTE Mobility.

**Qantas Reports Loss but Sees Upturn**

SYDNEY (Reuters) — Qantas Airways on Thursday reported an operating loss of 34.4 million Australian dollars (\$31.3 million) for the year ended last March 31, but said it was now profitable. The loss on airline operations was a record 47.59 million dollars, nearly twice the previous year's loss of 24.04 million.

Chairman Jim Leahy said he was optimistic that the government-owned airline would show a profit in the current year, because earnings were running ahead of budget. He attributed the 1982-83 loss to the world recession, high fuel costs and uneconomic fares on some routes. The loss on airline operations was a record 47.59 million dollars, nearly twice the previous year's loss of 24.04 million.

**Strong 1983 Operating Profit Is Predicted by Dresdner Bank**

FRANKFURT (Reuters) — Dresdner Bank expects a strong operating profit in 1983 but will continue to require large sums for risk provisions on domestic and foreign lending, Hans Friderichs, spokesman for the management board, said Thursday.

Mr. Friderichs said at a press conference that Dresdner's partial operating profit was up 34.5 percent in the first 10 months to 942.5 million Deutsche marks (\$359 million).

Trading for the bank's account yielded profit of the same level as 1982's strong results, he said.

Wolfgang Leeb, another board member, said risk provisions will be kept roughly unchanged from 1982's level of nearly 1 billion DM.

Mr. Friderichs said that despite the large risk provisions, the bank will be able to pay a higher dividend for 1983 than last year's 4 DM per share and that it will make a substantial increase to its free reserves.

He said no decision had been reached on the dividend. He said the bank has no concrete plans for any capital increase but decided to file out such an action in 1984.

Mr. Friderichs said overall operating profit this year, including the trading account and provisions for pensions, would exceed the level of the partial operating profits, which was not the case at other West German banks.

However, the bank would have to assess risk provisions for a variety of credits, including its involvement in the West German steel industry and Euromarket lending

**Morgan Stanley Elects Chairman And President**

The Associated Press

NEW YORK — Robert H.R. Baldwin announced his retirement as chairman of Morgan Stanley & Co., and directors on Thursday elected S. Parker Gilbert, the president of the investment firm, to succeed him.

Directors also picked Richard B. Fisher as Morgan Stanley's new president. The changes will take effect Jan. 1.

Mr. Baldwin, 63, will become chairman of an advisory board to be formed in 1984 and to be

made up of business and financial leaders from the United States and abroad. He said the changes would enable him to keep involved with the company while increasing his commitments to outside public and charitable interests.

"Mr. Baldwin has been associated with Morgan Stanley since 1965 and with the exception of an interruption to serve as under-secretary of the navy between 1965 and 1967. He became Morgan Stanley's president in 1973 and chairman last January."

Mr. Gilbert, 50, joined Morgan Stanley in 1960 and was active in the firm's European operations before becoming a managing director in 1969 and president of the company earlier this year.

Mr. Fisher, 47, joined the firm in 1967 and became a managing director in 1970.

The department's Census Bureau estimated that builders spent \$26.9 billion at an annual rate

(Continued from Page 7)

of its appeal was "properly interpreted and transformed into corresponding negotiations."

Bank officials say Bonn is considering supplying at least part of the fresh money in the form of supplier credits that would enable the East Germans to purchase West German steel products, paying in so-called units of account that the steel companies can redeem for cash at the West German central bank.

It is thought the loans might be extended in two packages of \$185.8 million. Of that amount, four-fifths will be in the form of 360-day supplier credits to finance deliveries of specific West German products. The remainder would not be limited to specific business transactions.

Weekly net asset value

**Tokyo Pacific Holdings N.V.**

on November 29, 1983: U.S. \$113.68.

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

**Notice of Redemption to the Holders of CITY OF MARSEILLES U.S.\$20,000,000.-**

10½% Notes of 1974 due 1986

Notice is hereby given that, in accordance with the terms and conditions of the above loan, Banque Internationale à Luxembourg S.A. as Fiscal Agent, has effected the drawing by lot relating to the annual redemption instalment of U.S.\$64,000,- becoming due on December 19th, 1983.

Taking into consideration the Notes repurchased or drawn by lot in previous years, and taking into consideration the Notes presented for payment pursuant to the holders' option in 1981, the following Note numbers will become reimbursable at 101½% on and after December 19th, 1983:

No. 1656 TO 1658 INCLUSIVE  
No. 1662 TO 1664 INCLUSIVE  
No. 1666 TO 1674 INCLUSIVE  
No. 1677 TO 1678 INCLUSIVE  
No. 1784 TO 1785 INCLUSIVE  
No. 1763 TO 1767 INCLUSIVE  
No. 1810 TO 1812 INCLUSIVE

They should be presented for payment with all unmatured coupons attached at the offices of the paying agents mentioned on the Notes and in the prospectus.

The aggregate principal amount of Notes remaining outstanding after December 19th, 1983 will be U.S.\$588,000.

Notes redeemable in previous years and not yet presented for payment: 3, 501-504, 651-659, 987-991, 3299.

BANQUE INTERNATIONALE A LUXEMBOURG Société Anonyme Fiscal Agent Luxembourg, November 1983.

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**INVESTORS CHRONICLE**

THE OECD REPORTS

**Wibau, Unit of IBH, Files Bankruptcy; Receiver Says It Falsified Sales Figures**

Reuters

FRANKFURT — Wibau AG, a key company in IBH Holding AG, the failed construction equipment firm, has filed for bankruptcy amid reports linking its problems to falsified sales figures.

He said turnover this year, after eliminating the false 50 million DM from 1982, would be 128 million DM. The expected loss of 145 million DM exceeded the company's equity of 121 million DM, Mr. Schaaf added.

Wibau, a manufacturer of cement-making equipment, said the filing followed a determination that it could not repay 40 percent of its debts as required by an earlier court appeal for protection from creditors, court sources said Thursday.

But the court-appointed receiver

in that case, Wilhelm Andreas Schaaf, said Thursday that Wibau falsified its turnover figures by 50 million Deutsche marks (\$18.6 million) last year.

He told reporters in Grindau that Wibau was improver. Mutual guarantees were granted among companies in the IBH group, and credits were taken up without sufficient collateral.

Mr. Schaaf said the accounting at Wibau was improper. Mutual guarantees were granted among companies in the IBH group, and credits were taken up without sufficient collateral.

He said he was discussing a pos-

sible sale of assets with interested parties, but he gave no details.

Trading in Wibau shares was suspended Thursday on the Frankfurt stock exchange. On Wednesday, Wibau shares rose 5 DM to 32 DM on speculative buying.

Wibau is the first company in the IBH group to file for bankruptcy. IBH applied for receivership on Nov. 4 in a move to avoid full bankruptcy, and its subsidiaries

were under investigation.

But the court-appointed receiver in that case, Wilhelm Andreas Schaaf, said Thursday that Wibau falsified its turnover figures by 50 million Deutsche marks (\$18.6 million) last year.

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**U.S. Construction Spending Off 2.5%**

United Press International

WASHINGTON — U.S. builders cut their spending on construction labor and materials by 2.5 percent in October, the first decline since March, the Commerce Department estimated Thursday.

The department's Census Bureau

estimated that builders spent \$26.9 billion at an annual rate

during the month, with spending on private construction down 2.6 percent and public construction off 1.9 percent after seasonal adjustment.

An upward revision in September's figures turned that month's originally reported loss to a 0.6 percent gain.

The government's estimate of construction spending is drawn from reports on the progress of practically all major building projects and a sampling of smaller projects.

Despite the October decline the

level of construction spending is still 15.1 percent ahead of a year earlier.

The spending pace on single family homes was at a \$66 billion annual rate, 3.5 percent below September's rate but 78.9 percent ahead of a year earlier.

In contrast, the \$21.4 billion rate of spending on private office buildings construction was 10.1 percent less than that of a year earlier.

In the area of public construction, spending on sewers has held up better than that on schools.

We think we know the answer!

In March 1983 we recommended to buy shares of Davidson Tiscali Mines at (adjusted for stock splits) \$2. After reaching a high of \$9.11 currently sells at \$5 a share. Now we have a few new recommendations. If you want to know more about them, fill out the coupon and send it in at your earliest convenience. For immediate service you can also call us. Your specialist with the European view on the International Gold scene.

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## Thursday's NYSE Closing

Tables include the nationwide prices  
Up to the closing on Wall Street

12 Month

High

Low

Stock

Div.

Yld.

PE

\$1.

100s

High

Low

Clos.

Close

High

Low

Cost

(Continued from Page 8)

12 Month	High	Low	Stock	Div.	Yld.	PE	\$1.	100s	High	Low	Cost	Close	12 Month	High	Low	Stock	Div.	Yld.	PE	\$1.	100s	High	Low	Cost	Close
570 37% ITW	1.16	1.23	12	34	57%	57	57	57	126	126	126	126	570 37% ITW	1.16	1.23	12	34	57%	57	57	57	126	126	126	126
571 34% IBM	2.23	2.11	12	34	57%	57	57	57	126	126	126	126	571 34% IBM	2.23	2.11	12	34	57%	57	57	57	126	126	126	126
572 34% INCO	2.00	1.93	12	34	57%	57	57	57	126	126	126	126	572 34% INCO	2.00	1.93	12	34	57%	57	57	57	126	126	126	126
573 34% Intel	1.25	1.25	12	34	57%	57	57	57	126	126	126	126	573 34% Intel	1.25	1.25	12	34	57%	57	57	57	126	126	126	126
574 34% Inter-Tech	1.25	1.25	12	34	57%	57	57	57	126	126	126	126	574 34% Inter-Tech	1.25	1.25	12	34	57%	57	57	57	126	126	126	126
575 34% Inter-Tech	1.25	1.25	12	34	57%	57	57	57	126	126	126	126	575 34% Inter-Tech	1.25	1.25	12	34	57%	57	57	57	126	126	126	126
576 34% Inter-Tech	1.25	1.25	12	34	57%	57	57	57	126	126	126	126	576 34% Inter-Tech	1.25	1.25	12	34	57%	57	57	57	126	126	126	126
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593 34% Inter-Tech	1.25	1.25	12	34	57%	57	57	57	126	126	126	126	593 34% Inter-Tech	1.25	1.25	12	34	57%	57	57	57	126	126	126	126
594 34% Inter-Tech	1.25	1.25	12	34	57%	57	57	57	126	126	126	126	594 34% Inter-Tech	1.25	1.25	12	34	57%	57</td						





# Executive Held Rosiano C ales of Swiss Chocolate weetened by U.S. Effort

By John Tagliabue  
New York Times Service

**A - CHAUX-DE-FONDS,** Switzerland — Pierre Alain Moretti, president of La Chaux-de-Fonds, a Swiss chocolate maker, says he has traveled several times a month to the United States over the past year. His company's annual truffle journey from La Chaux-de-Fonds in the Jura mountains to Geneva for a flight via freighter, in cooled containers to San Francisco and New York, where they show up priced at \$28 a pound, on the shelves of gourmet food shops.

Makers of fancy Swiss chocolates, trying to counter a decline in sales at home and mounting competition elsewhere in Europe, are using a successful high-quality, high-price marketing strategy in the United States.

Moretti, the exclusive Zurich chocolate maker Teuscher, and Mr. Springer, chairman of Chocolatier AG, one of the largest Swiss chocolate companies, are among companies whose exports to the United States last year lifted it past Germany to become the industry's leading market abroad.

Dolf Teuscher says his sales in New York, Los Angeles, Boston and Toronto sell chocolates of "better quality." He denies they are more expensive than comparable U.S. products.

Dario Kuster, director of Choco-  
suisse, the Union of Swiss Choco-  
late Manufacturers, says, "Buy-  
ing power and consumers who  
appreciate quality have made the  
United States our principal target."

Like watches or cheese, chocolate has been synonymous with Switzerland since the 19th century, said Daniel Peter of Vevey first sold milk chocolate and Rudolph Lindt of Bern discovered that refining chocolate for several days in a cache, or narrow trough, gave it a melting quality that earlier, gritty chocolates lacked.

Last year Swiss chocolate makers sold 76,605 tons of chocolate, Switzerland's annual per capita assumption, 22 pounds, is the best of any nation. The average

American consumes about eight pounds of chocolate a year.

The industry, a close-knit group of about 15 companies, produced chocolate products worth \$360 million last year, about 2 percent more than the year before. One-fourth was exported, with 3,313 tons going to the United States, 22 percent more than the year before. This growth is expected to continue.

"We send our highest-quality segment," Rudolph R. Springer, the chairman of Lindt & Sprüngli, said at the company's train factory overlooking the Lake of Zurich. "It's gone very well, it's paid off."

Lindt, which makes 50 tons a day of chocolate bars, fancy confections and bulk products such as breakfast drinks in three factories joined last year with Great Specialties, a Greenwich, Connecticut, marketing company, to reinforce its U.S. sales effort. Mr. Springer's son, Rudolph, 31, is in the United States learning the export business.

The effort to pierce the gourmet market is perhaps best illustrated by Mr. Moretti. For years his production consisted largely of gift assortments that corporations bought for important clients. Chocolates for Rolex or Piaget looked like little watches; those for Rolls-Royce or Daimler-Benz resembled radiator ornaments.

Mr. Moretti employs 60 people producing about a ton of chocolate a year.

Fingered a chocolate-filled baton the size of a child's little finger, he said: "We select our clients. Whatever branch they are in, they should be at the top. Jewelry and fashion help us. The top articles from Europe in the States form a kind of exclusive fashion. Gourmet restaurants like chocolates; those for Rolls-Royce or Daimler-Benz are very popular."

"The market is difficult," Mr. Springer said. "There are high marketing and advertising costs to reach upper-income consumers. For many people, Swiss chocolate is part of your trip to Switzerland. At home, you eat what's sold locally. The risks are great."



Chocolate production at La Chaux-de-Fonds, Switzerland.

## Tandy's Marketing Ideas Face Test

(Continued from Page 7)

the IBM-compatible route minimizes the risk in a very hazardous business."

"Tandy won't be wildly successful in market share with its PC," predicted David Lamm, an analyst with Link Resources in New York.

"But it will do fine in profits."

The company, named after its founder, Charles David Tandy, who died in 1978, has traditionally done fine in profits. When Mr. Tandy acquired the bankrupt Boston-based Radio Shack 20 years ago, his primary business was leather goods retailing, not consumer electronics. But by 1975 the chain was doing so well that he spun off everything except Radio Shack.

In the latest fiscal year, ended June 30, 8,868 Radio Shack outlets racked up more than \$2.4 billion in worldwide sales. Earnings, totaling \$278.5 million for the latest year, have risen at an average com-

pounded rate of 30 percent a year in the last decade. Gross margins have remained in the 58 percent range in the last five years, at least 20 percentage points higher than the average for competitors, analysts say.

A good deal of that growth has come from microcomputers, an industry Tandy helped found back in 1977. Although Radio Shack stores offer an assortment of goods, from batteries to toys to stereos, in just six years microcomputers and related products have become the company's biggest-selling items, accounting for some \$875 million, or 35.3 percent of total volume in the 1983 fiscal year.

Radio Shack's microcomputer offerings include everything from a low-end home machine, the Color Computer, to powerful, multiuser business systems with five-figure prices as well as pocket computers and the popular tablet-size portable, the Model 100.

While some other microcomputer makers are in trouble, Tandy says it has made money because it manufactures most of its products and controls distribution.

In any case, analysts agree that Tandy's vast distribution network has enabled Radio Shack to maintain its profits by staying out of the vicious computer price wars that its competitors began last year. It has, however, cut the price of its home model, the Color Computer.

Tandy, however, has paid for its profits with a steep loss of market share. In 1979 Radio Shack accounted for 40.5 percent of sales in the industry, according to International Data Corp. Last year, Radio Shack's share was estimated at a mere 8.6 percent.

And although Wednesday's introduction indicates that the company is in microcomputers to stay, analysts such as Mr. Edelson of First Boston predict that Tandy will not be a major force in the market unless it alters the way it does business.

He says, for example, that Tandy may be overestimating the advantage it gets from its distribution system. Customers crowded Radio Shack stores recently as three years ago because only Apple Computer and a few other companies made microcomputers and they were hard to find in other stores. Now Radio Shack competes with Computerland, K Mart, Sears, Roebuck & Co. and several local specialty retailers.

And, he added, there are so many home and personal computers out now that consumers prefer to shop where they can compare the prices and features of different models, something they cannot do at Radio Shack's stores.

Tandy is, however, stepping up the training program for its sales force and designating one staff member at each of its computer centers as responsible for maintenance and repairs.

But even if it does not dominate the industry, Tandy will survive and prosper, predicts Tricia Parks, an analyst with Future Computing Inc. in Richardson, Texas. The company will carve out "niches" in computers and other technology fields, she said.

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## Over-the-Counter

Dec. 1

NASDAQ National Market Prices

Sales in  
100s High Low 3pm Chg.

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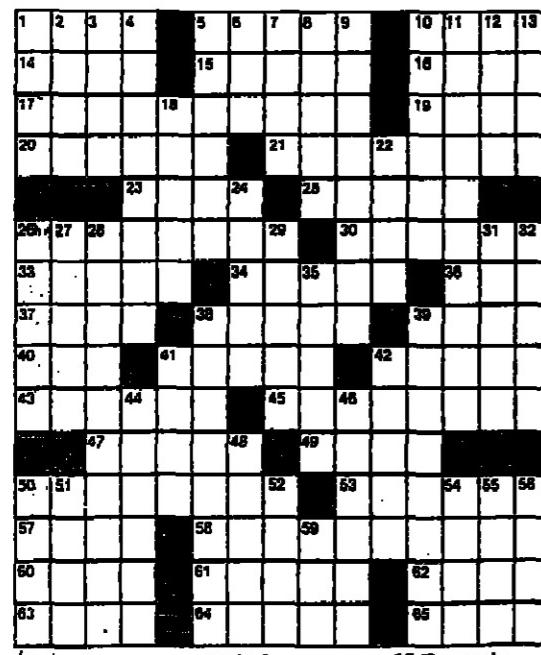
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**ACROSS**

- 1 Talent
- 5 Savage
- 10 Ichabod's tormentor
- 14 Deep rumble
- 15 Moves gradually
- 16 Unaspirated consonant
- 17 Previous
- 18 Oreón, e.g.
- 20 Volcanic rock
- 21 Left high and dry
- 23 Enamored metalware
- 25 Festination
- 26 Ink, mustard, lipstick, etc.
- 30 Business end of a hose
- 33 Roderick Usher's place
- 34 Be supreme
- 36 Nerdie
- 37 Celtic
- 38 Bati Khan's Golden
- 39 TV sitcom
- 40 A method of self-realization
- 41 Antony's worries
- 42 Lilac's cousin
- 43 Pentateuch scrolls
- 44 Snag
- 45 Rodgers-Hammerstein musical
- 46 Uniform
- 47 Dolt
- 48 Grammatical blunder
- 49 Jumpy Neglect
- 50 Manege man
- 51 Stunt
- 52 Wool grease
- 53 Fed who pulls in pushers
- 54 Mother of Elizabeth I
- 55 Major or minor arm muscle
- 56 Sight
- 57 Exploits
- 58 Chayenky's "The Man"
- 59 Keep away
- 60 Cheesy or fruity pancake
- 61 Ref. work
- 62 Tryst
- 63 Formerly Hoover Dam's lake
- 64 Genetic look-alike
- 65 — unto us — given
- 66 Moststep
- 67 Cookie pan
- 68 An outbacker
- 69 Glacial pinnacle
- 70 Ensign's vacation
- 71 Euphon
- 72 Utopian
- 73 Most robust
- 74 White table wine
- 75 McDonald
- 76 McKinley or Washington
- 77 Building wing
- 78 Parches
- 79 Ending career
- 80 Roman or Arab
- 81 Chesterfield, e.g.
- 82 Token
- 83 Noted naturalist: 1838-1914
- 84 "Buenos —"
- 85 Role for Robin Williams
- 86 Ref. work
- 87 Compass point

**DOWN**

- 1 Snug
- 2 —National Park, Angola
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- 6 Atomic energy
- 7 Exploits
- 8 Chayenky's "The Man"
- 9 Keep away
- 10 Cheesy or fruity pancake
- 11 Tryst
- 12 Formerly Hoover Dam's lake
- 13 Genetic look-alike
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- 42 Noted naturalist: 1838-1914
- 43 "Buenos —"
- 44 Role for Robin Williams
- 45 Ref. work
- 46 Compass point

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### DENNIS THE MENACE



"WHERE ARE YOUR ENVELOPES, MOM? WE GOT ALL THE STAMPS LIKED!"

### JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

### WOSON

W O S O N

### RIGMY

R I G M Y

### TREENI

T R E E N I

### ANGAME

A N G A M E

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: THE [REDACTED]

(Answers tomorrow)

Yesterday's Jumble: SILKY PEONY MENACE SMUDGE Answer: What should a sword swallow eat when he's on a diet? — PINS & NEEDLES

### WEATHER

#### EUROPE

#### ASIA

#### AFRICA

#### LATIN AMERICA

#### NORTH AMERICA

#### MIDDLE EAST

#### OCEANIA

#### WEATHER

## SPORTS

## Hess, Back in Form After Leg Injury, Edges McKinney in Opening Slalom

Compiled by Our Staff From Dispatches  
KRANJSKOGORA, Yugoslavia—Erika Hess of Switzerland, defending her 1982 World Cup slalom title, won Thursday's women's slalom, the first World Cup ski race of the season.

Hess had an aggregate time of 1 minute 33.39 seconds for the two runs, with Tamara McKinney of the United States second, with 1:34.01; Małgorzata Tlalka of Poland third, with 1:34.85, and Olga Charyavatova of Czechoslovakia fourth, with 1:34.87.

On the track made of artificial snow which turned icy, Hess finished the first heat only one hundredth of a second faster than McKinney. But the American was unable to mount any serious threat to the winner on the second run.

"Maybe I was a little more cautious on the second run, but I am happy," said McKinney, the defending overall World Cup champion. "There is always a little bit of tightness before the first race, and once you get the first one over, then you can kind of relax a little bit and then the next heat were Liechtenstein's

Hess, in clocking the best times in both heats (51.31 seconds and 44.82 seconds), showed that she has fully recovered from a knee operation.

"I am not sure how the things will develop this season, but now I am sure that this is the end of a short crisis I had after the knee operation," Hess said. "This victory filled me with self-confidence."

"I hope I will be in form for Sarajevo," Hess added, referring to the 1984 Winter Olympics in Yugoslavia.

There was almost no snow in Kranjskogora, an Alpine center close to the Austrian and Italian borders, and the Yugoslav organizers had prepared the course with artificial snow over the past week.

The 600-meter (1,968-foot) course, with a vertical drop of 160 meters and 55 gates on the first run and 53 on the second, presented a severe test; only 37 of the 84 starters completed both heats. Among those who fell on the icy track in the first heat were Liechtenstein's

Hannu Wenzel, winner of two gold medals at the 1980 Lake Placid Olympics; Perrine Pelet of France; Roswitha Steiner of Austria and Maria Ross Quarai of Italy.

The World Cup continues Friday in Kranjskogora with a men's slalom race.

(UPI/AP)

**Women's Slalom Results**

1. Erika Hess, Switzerland, 47.31-47.88  
2. Tamara McKinney, U.S., 44.82-47.49  
3. Małgorzata Tlalka, Poland, 47.11-47.74  
4. Olga Charyavatova, Soviet Union, 47.83-47.84  
5. Christa van Grunsven, Switzerland, 47.83-47.84  
6. Perrine Pelet, France, 47.83-47.84  
7. Anja Zverevic, Yugoslavia, 47.29-48.13  
8. Petra Wenzel, Liechtenstein, 47.22-48.18  
9. Roswitha Steiner, Austria, 47.22-48.18  
10. Dorota Tlalka, Poland, 47.37-48.20  
11. Peter Pichler, Austria, 47.37-48.20  
12. Maria Ross Quarai, Italy, 47.37-48.20  
13. Annemarie Krennleitner, Austria, 47.37-48.25  
14. Maria Tomaz, Yugoslavia, 48.05-48.37  
15. Anna Grottel, Switzerland, 47.48-48.34  
16. Paola Mazzoni, Italy, 47.91-48.34  
17. Monika Heger, Austria, 47.91-48.34  
18. Monika Heger, Austria, 47.91-48.34



The Associated Press  
Erika Hess skiing to victory in the first World Cup slalom at Kranjskogora, Yugoslavia.

### NBA Standings

EASTERN CONFERENCE									
ALTERNATE DIVISIONS									
Philadelphia	W	L	Pct.	GB					
Boston	13	5	.713	2					
New York	12	6	.647	3					
New Jersey	11	7	.583	4					
Washington	10	8	.526	5					
Atlanta	11	4	.747	2					
Chicago	9	5	.636	3					
Cleveland	8	6	.537	4					
Baltimore	7	7	.524	5					
Philadelphia	4	12	.250	6					
WESTERN CONFERENCE									
Denver	1	4	.233	7					
Kansas City	2	3	.333	8					
Utah	3	2	.500	9					
Vancouver	2	3	.333	10					
San Antonio	4	12	.250	11					
WESTERN CONFERENCE									
Seattle	1	4	.233	12					
Phoenix	2	3	.333	13					
San Diego	3	2	.500	14					
Wednesday's Results									
Kansas City 125; Phoenix 24 (E. Johnson 29, Drew 25; Lucas, Davis 24, Nance 20).									
Philadelphia 125; Atlanta 105 (Bird 23, Purish 20, Johnson 19, McHale 18, Johnson 16, Johnson 15, Johnson 14, Johnson 13, Johnson 12, Johnson 11, Johnson 10, Johnson 9, Johnson 8, Johnson 7, Johnson 6, Johnson 5, Johnson 4, Johnson 3, Johnson 2, Johnson 1).									
Phoenix 125; San Antonio 105 (Bird 23, Purish 20, Johnson 19, McHale 18, Johnson 16, Johnson 15, Johnson 14, Johnson 13, Johnson 12, Johnson 11, Johnson 10, Johnson 9, Johnson 8, Johnson 7, Johnson 6, Johnson 5, Johnson 4, Johnson 3, Johnson 2, Johnson 1).									
San Diego 125; Seattle 105 (Bird 23, Purish 20, Johnson 19, McHale 18, Johnson 16, Johnson 15, Johnson 14, Johnson 13, Johnson 12, Johnson 11, Johnson 10, Johnson 9, Johnson 8, Johnson 7, Johnson 6, Johnson 5, Johnson 4, Johnson 3, Johnson 2, Johnson 1).									
NHL Standings									
WALES CONFERENCE									
Pacific Division									
Detroit	10	15	.400	22					
St. Louis	9	12	.433	23					
Edmonton	19	4	.818	24					
Calgary	10	18	.389	25					
Toronto	24	4	.857	26					
Montreal	7	19	.286	27					
Vancouver	4	20	.182	28					
Edmonton 125; Vancouver 125 (Dollard 24, Johnson 23, Johnson 22, Johnson 21, Johnson 20, Johnson 19, Johnson 18, Johnson 17, Johnson 16, Johnson 15, Johnson 14, Johnson 13, Johnson 12, Johnson 11, Johnson 10, Johnson 9, Johnson 8, Johnson 7, Johnson 6, Johnson 5, Johnson 4, Johnson 3, Johnson 2, Johnson 1).									
Calgary 125; St. Louis 125 (Dollard 24, Johnson 23, Johnson 22, Johnson 21, Johnson 20, Johnson 19, Johnson 18, Johnson 17, Johnson 16, Johnson 15, Johnson 14, Johnson 13, Johnson 12, Johnson 11, Johnson 10, Johnson 9, Johnson 8, Johnson 7, Johnson 6, Johnson 5, Johnson 4, Johnson 3, Johnson 2, Johnson 1).									
Toronto 125; Montreal 125 (Dollard 24, Johnson 23, Johnson 22, Johnson 21, Johnson 20, Johnson 19, Johnson 18, Johnson 17, Johnson 16, Johnson 15, Johnson 14, Johnson 13, Johnson 12, Johnson 11, Johnson 10, Johnson 9, Johnson 8, Johnson 7, Johnson 6, Johnson 5, Johnson 4, Johnson 3, Johnson 2, Johnson 1).									
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CAMPBELL CONFERENCE									
Mariners Division									
Minnesota	12	9	.523	125					
Toronto	12	12	.429	107					
Chicago	11	13	.462	125					
WALES CONFERENCE									
Hawks Division									
Minnesota	12	9	.523	125					
Toronto	12	12	.429	107					
Chicago	11	13	.462	125					

By Ira Berkow  
New York Times Service

NEW YORK.—The questions "Why can't Johnny read?" and "Why can't Johnny write?" are not new, but the question "Why can't Johnny play football?" is.

That last question, or concern, is actually a matter of why Johnny isn't allowed to play football.

The answer is, because he can't read or write. Or won't. At least in Jersey City, New Jersey.

The Jersey City school board, in an effort to improve a deteriorating academic situation, tightened standards last summer for students participating in extracurricular activities in Grades 4 through 12.

One of the consequences came about last month, after the first marking period this semester, when three Jersey City high schools—Snyder, Dickinson and Lincoln—had to cancel football games. Snyder was to have played in a north-state regional playoff, and the two other schools were to have met in a season-ending city-league game. But all three squads were depleted because half or nearly half the players had failed to make sufficient grades in the classroom.

Two things are unusual about the above: First, the cancellation of

a football game because of a squad depleted by the inability of wayward scholars; second, the notion that football is an extracurricular activity.

Unlike other extracurricular pursuits, such as band or drama or student government, football is often treated in many parts of the country as it bears greater significance, along the lines of life and death.

Under the new requirements, Jersey City students must have a C average and no failing grades in any course to take part in extracurricular activities in Grades 4 through 12.

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## OBSERVER

### Is Computer Here to Stay?

By Russell Baker

**N**EW YORK — He was a grim man and he stared grimly out of the television screen with what he obviously thought was a grim message. "Like it or not," he said. "The computer is here to stay."

He reminded me of certain teachers who threaten indolent schoolchildren. I once had such a teacher. She was exasperated because I wasn't interested in the difference between an adjective and an adverb. "Like it or not, the adverb is here to stay," she said.

Her obvious anger seemed to come out of suspicion that I disliked the adverb. I had nothing against the adverb at the time. Later, I even came to understand that the adverb was useful if applied, like aspirin, in small doses.

At the time, though, I was indifferent to the adverb. Not hostile. Just indifferent. In the same way I was indifferent to the secant, to which my mathematics teacher was passionately attached. ("Like it or not, sonny, the secant is here to stay.")

Why teachers should mistake my indifference for hostility was puzzling. I happened to be deeply interested at the time in playing marbles. It never occurred to me to go red in the face and tell a teacher, "Like it or not, marbles are here to stay."

What was wrong with these teachers? Thanks to the grim man on television, I think the question can now be answered. They were trying to sell me the adverb and the secant and were angered by my sales resistance.

This course of was precisely what the grim man on television was up to. The manager had assigned him all the pinchbeckers who had resisted sports about joining the glorious computer revolution, about the joy of being the first on the block to see all their bills neatly displayed on their personal video screens.

So there he was, menacing and glowering with what he thought was news that would make us shudder. "Like it or not . . . here to stay."

Behind this argument I detect a queasy sense of uncertainty in the computer business. I have noticed

it persons who work in the computer industry and even among those who don't but have bought new machines. When they meet somebody who still hasn't taken the plunge, they cannot resist warning you that you will soon be obsolete if you don't buy fast. Because, like it or not, the computer is here to stay.

I don't recall that anybody had to be bullied into buying a television set back in the pioneering age of Morey Amsterdam, Dagmar and Gorgeous George. A lot of people remained indifferent to television, but the mass public descent on Madman Muntz's TV store was such that Mrs. Muntz never had time to go into the street and broadcast the passing crowd with warnings that they were as out-of-date as the horse collar.

Quickly, even the indifferent realized that television was here to stay, like it or not, and bought. When something is here to stay, nobody has to announce it. When a salesman starts telling me his merchandise is here to stay, I don't necessarily doubt him; instead, I ask myself, "Do I really care?"

The math teacher who pronounced the secant "here to stay" was correct, but that still hasn't made me buy. I just never felt a need for the secant. Some people do, and those people bought, and that seems sensible. As life unfolded, I felt a need for the adverb, and fortunately the teacher who had said it was here to stay was correct. As a result I have had it right here at my disposal for the past several hundred words.

So far, the computer strikes me as much more like the adverb and the secant than like television.

As with the adverb, I may someday feel a need for the computer and rejoice in its existence. At present though, feeling nothing but revulsion at the prospect of seeing all my debts lit up on a video screen at the touch of a button, I feel personally uninterested in it as I am in the secant.

I am grateful nevertheless that the computer is here to stay. When it can get to the office on a rainy day without being drenched at a bus stop, I shall certainly want to buy one.

New York Times Service

## Dolls

By Sarah Booth Conroy  
*Washington Post Service*

**WASHINGTON** — A real rags-to-riches story: how a slow-talking fast-thinking Georgia boy found fame and fortune in the Cabbage Patch.

Xavier Roberts is the father of the Cabbage Patch Kids, the two-alike soft sculptures (a high-falutin' name for rag dolls), which may just be the greatest doll fad ever to sweep the United States.

Disturbances and mayhem have broken out because of too few dolls for too many would-be purchasers. About 2.5 million Hong Kong-made Cabbage Patch dolls are scheduled to be delivered around the United States during the Christmas season.

Early on, Roberts developed the idea that you didn't actually buy a Cabbage Patch doll. You adopted one.

"At first 90 percent of those buying the Little People were adults. I still think at least 50 percent of those buying originals are grown-ups. Then the children saw them and wanted them. I didn't want them to be toys. Children are so spoiled today. I was afraid they'd tear them up in two days. So I thought up the idea of the adoption certificate and the pledge they'd take care of the townspersons.

Adoption workers are concerned that the nation's 500,000 children in foster care who really need families wonder why they are not similarly wanted. The Associated Press reported. The issue is deemed especially critical for about 50,000 older children whom the federal Office of Human Development Services classes as hard to place because of their ages. "Even in cases when the kids are removed when physically abused by the parents, they take it personally," said Elizabeth S. Cole, director of the North American Center on Adoption. "They think that if they were better children, the parents wouldn't have done this."

The original limited-edition dolls, handmade in Roberts' studios in Cleveland, Georgia, (population 1,600), have become hot collector's art, reselling for more than \$1,000 each.

His mother made and sold quilts when she wasn't working in the textile mills. "So I sure understood about soft sculpture. I started making soft-sculpture plants and wall hangings, then pigs and clowns, experimenting. My mother showed me how to sew, to mold the fabric. It was like working with clay. I made them by hand using a four-way stretch fabric, stuffed them with soft fibers, stitched the mouths, painted the eyes, every one different. That adopted 97 babies. I go around the country for doll-signing parties."

Roberts, now 28, has a Cadillac with a chauffeur, four Mercedes-Benzes, a 30-room house he designed and built with a slide from his bedroom to an indoor pool and a studio employing about 200 townspersons.

Roberts, the youngest son of six children — his father died when he was 5 — decided early he wanted to be an artist because "I wasn't too smart in school. My only A's were in art. I used to make things — pots and clay figures, kind of wild things — and sell them to the other students. One day he saw a picture of a soft sculpture.

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For the beginning, Roberts not only made his dolls — he typed them himself.

"We bought a computer so we could mail out happy-birthday cards to people who'd bought Cabbage Patch dolls on the anniversary they adopted the dolls. We send them a Cabbage Patch Dispatch; it's like a fan club. Why, we know at least one person that adopted 97 babies. I go around the country for doll-signing parties."

As for Roberts, he says he plans to go back to school to learn how to become a sculptor.

### A Christmas Success Story: Americans Are Storming Toy Counters

To 'Adopt' the Figures Developed by Mr. Roberts of the Cabbage Patch



Debbie Reitman with a trio of Cabbage Patch Kids.

Several years ago, Roger Schlaifer became an advertising agency owner in Atlanta. "One day I was shocked to see the really ugly doll, my wife, Susanne, brought home. She said it was art, an investment. But she couldn't get it away from our 6-year-old daughter, Jessica." Like any good advertising executive, Schlaifer tried to get the account. "They weren't interested. They were doing fine on their own. So he developed a licensing plan for the property, centered on Roberts' Cabbage Patch story. That did it.

Schlaifer Nance and Co. sold the Cabbage Patch kids to Coleco, the toy company that also may have the country's second biggest hit of the season, the Adam computer. About 50 other companies are making Cabbage-Patch products: baby and children's clothes, bedding, throw rugs, color forms, cosmetics, the biggest selling sticker book in history, lunch boxes and thermos bottles. Peter Pan board and card games, riding toys, and books and records, among others.

Licensing arrangements are going forward for Great Britain, Australia, Japan and other countries for the dolls and the related products.

Coleco, using a computer, worked out a way to mass-produce the dolls, while still making each one different: varying the hair, eye color and size, skin colors from white to black (Oriental and other ethnic groups are to come soon), dimples, freckles, different cheekbones. Each is made with a vinyl face (the Roberts' originals have fabric faces), synthetic cloth bodies with detailed fingers, toes, rear ends, butts.

Coleco advertised the dolls with a heavy television campaign (mostly Saturday morning cartoon shows) and introduced the Cabbage Patch Kids in June in New York. The dolls, designed to sell for about \$25, sold out instantly. Today the dolls are sold out everywhere, causing so many violent reactions that Coleco has stopped advertising.

As for Roberts, he says he plans to go back to school to learn how to become a sculptor.

## PEOPLE

### Saint Laurent Fever

New York is having an acute case of Saint Laurentitis. Hebe Dorsey reports from Manhattan. It is all due to the Yves Saint Laurent retrospective, opening Dec. 5 at the Metropolitan Museum of Art, the first time a living designer will be honored at such an affair. Former retrospectives have dealt with the glamour of the past, such as "The 18th Century Woman," "The Hapsburgs," or "La Belle Epoque." The house of Saint Laurent has corralled all its fans and friends. Catherine Deneuve is already in New York. Marie Hélène de Rothschild is due any minute — and so is Olympia de Rothschild, as well as Paloma Picasso, Hélène Rochas, São Schumacher, Mrs. David Well and Zizi Jeanmaire. Jacqueline de Ribes, and Claude and Xavier Lalanne. No other French designer will attend. Pierre Cardin, who last year sponsored the Belle Epoque retrospective, is in Brazil and so is Alain Oliver, his partner. However, American designers are heaping praise on Saint Laurent with Perry Ellis calling him "the Picasso of the fashion world." The only international designer to forget about fashion rivalry is Valentino, from Rome, who feels Saint Laurent "is more than a great designer," adding, "We think alike." Saint Laurent, who arrived last weekend, "has kept pretty much out of sight, spending most of his time at the museum where he is putting the last touches on his mannequins. According to Women's Wear, there is a party in Saint Laurent's honor practically every night, so much so that Pat Buckley, the gala's chairwoman, has had to give up. The most coveted invitation is on Saturday, a party given for fashion rivalry is Valentino, from Rome, who feels Saint Laurent "is more than a great designer," adding, "We think alike." Saint Laurent, who arrived last weekend, "has kept pretty much out of sight, spending most of his time at the museum where he is putting the last touches on his mannequins. 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